



together for tomorrow

Vodafone Idea Limited
Annual Report 2020-21

THE CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

The COVID-19 pandemic has touched every aspect of our lives across the world. It has altered mindsets, perceptions, and strategies for businesses and beyond. If there is one abiding lesson, it is that sustainable growth and development involves holistic nurturing of human, natural, and financial capital. 2020 is a year that will only gain in significance when viewed through the perspective lens of time.

Global Economy

The world has been fighting the COVID-19 pandemic for more than a year now, and the struggle has had deleterious economic effects. In 2020-21, the global economy contracted by 3.3%, the largest contraction on record, at least since World War II. Much of it was concentrated in the first half of our fiscal year FY21, as several countries enforced strict lockdowns. Economies bounced back – albeit at differentiated speeds – in subsequent quarters, on the back of large fiscal stimulus packages, especially in the developed countries, restocking demand after dilution of lockdowns, and improved confidence levels following the start of vaccination programmes. As per the recent forecasts from International Monetary Fund (IMF), the US and China are expected to record a strong recovery in 2021, resulting in a net positive expansion of their economies over the 2019 levels. These two engines of growth are expected to boost demand for exports from other countries. Even the other two large economies, the EU and Japan, are expected to expand.

In response to the pandemic, central banks resorted to strongly supportive monetary policies in most developed economies, causing interest rates to go down to record lows. At the same time, another consequence of this policy has been a surfeit of liquidity. That has led to a strong rally in prices of many industrial commodities, which has also been supported by the evolving economic recovery, stimulus-related demand expectations and certain supply-side disruptions. This has caused inflationary pressures on the cost dynamic of several manufacturing industries.

The latest IMF forecast suggests a strong 6% growth in global GDP in 2021. But the occurrence of second and third waves of COVID in different parts of the world and reports of virus mutations have created downside risks to the outlook of a strong growth rebound. Recovery remains uneven and uncertain, with the extent of fiscal support and level of vaccination being key differentiators of the short-term economic outlook across countries.

Indian Economy

Indian economy, which was firmly on the path of recovery in the second half of FY21, was hit by a rather unexpectedly virulent second wave of COVID-19. That caused a severe strain on healthcare facilities in many parts of the country, leading to localized lockdowns and a fall in mobility to levels seen a year ago. This may lead to some reassessment of growth estimates for FY22.

As a silver lining, disruptions to production and supply chains have been far less severe during the second wave than during the first wave. Vaccinations are picking up pace, which would support faster normalization of mobility levels and of related economic activities. Continued accommodative monetary policy of the RBI and the expected increase in capex from the Government are factors that will support growth recovery. In addition, global growth prospects provide us with exports as an additional strong driver of growth.

The longer-term prospects for the Indian economy continue to be robust. Various initiatives, including privatization of public sector enterprises, monetization of assets, implementation of National Infrastructure Pipeline, targeted investment incentives through the Production-Linked Incentives Scheme and the new Labour Code, are likely to spur a virtuous cycle of investments and growth in the medium-term.



Your Company's Performance

The merger of Vodafone India into your Company effective from August 31, 2018 led to the creation of Vodafone Idea Limited, a partnership between two strong promoters, Aditya Birla Group and Vodafone Group. Post-merger, your Company is one of the leading telecommunication operators in India offering voice, data, business services and other Value-Added Services ("**VAS**"), including Short Messaging Services, digital services, IoT etc. As of March 31, 2021, the subscriber base of your Company stands at 255.7 Mn (on VLR) with subscriber market share at 25.7%.

Through the course of FY21, the operating environment continued to remain challenging due to unsustainable pricing and hyper competition which were further aggravated by the COVID-19 pandemic. Your Company played a critical role providing uninterrupted connectivity to millions of people enabling them to work, study, transact, interact, and get the daily dose of entertainment from the safety of their homes. While the operating challenges remain, increasing digital penetration which has got a further boost during the pandemic, remains a massive opportunity for telecom industry especially when the pricing revives in future. Increasing

content consumption, especially through video, and social media usage is driving strong demand for high-speed internet. Your Company with strong spectrum portfolio, large network investments in the form of network sites and optical fiber, wide distribution reach and strong customer affinity is very well positioned to benefit from this trend.

During FY20, your Company had successfully completed the integration exercise and fully realized the targeted synergies at a record pace in comparison with any global mergers, especially given the size, scale and complexity of the integration. Your Company's primary focus in FY21 has been on focused network investments to ensure superior customer experience. Your Company has expanded its 4G population coverage to over 1 billion and significantly improved its capacity. Your Company's relentless pursuit to have the best 4G network, through integration and incremental network investments post-merger, is clearly visible through the top rankings across various third-party reports on both data and voice. As per Ookla, the global leader in Internet Performance Testing, Vi GIGAnet 4G network remained the fastest 4G network in the country for 3 consecutive quarters (from Q2FY21 to Q4FY21). Your Company also had the highest rated voice quality in the country as per TRAI's "MyCall" app data for 6 months consecutively between November 2020 and April 2021.

Your Company continues to focus on driving 4G penetration to increase ARPU. Your Company launched the new unified brand **VI** on September 07, 2020, which leverages on the legacy of two of the most loved brands of the country -  **vodafone** and  **idea**. Your Company has also been focusing on digital-first approach digitizing all customer touchpoints as well as distribution channel. Further, your Company remains focused on strengthening its position on business services, especially the new and fast-growing segment of IoT and cloud services. Your Company continues to focus on its platform capabilities to offer deeper integration with its partners for a differentiated experience, create monetization opportunities and truly become an integrated digital service provider. Your Company has also undertaken cost optimization exercise to achieve ₹ 40 billion additional annualized cost savings, of which it has achieved 65% on a run rate basis by the end of FY21. All these initiatives will improve revenue and profitability and subsequently strengthen your Company's overall competitive position in the market.

Outlook

Your Company continues to focus on execution of its stated strategy. Your Company has made significant 4G investments and continues to expand its coverage and capacity further. All the ongoing strategic initiatives will ensure that your Company will continue to provide the best of customer

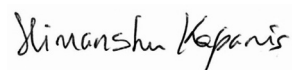
experience to retail and enterprise customers and help in creating an agile and future-fit organization.

These have been challenging times for the country. Going forward, your Company hopes that COVID related disruptions will be behind us due to the ongoing vaccination drive and the economic activities continue to pick-up in the coming months. Your Company is well aware of its duty and the critical role it plays to keep the nation connected and it remains committed to help its employees, customers, vendors and all the partners in every way possible. Your Company will keep striving to provide uninterrupted services while maintaining exceptional quality of services.

This is a difficult phase for the Vodafone Idea family as well. The Supreme Court vide its order dated July 23, 2021, rejected the modification application filed by the Company and other operators, requesting to allow DoT to correct manifest/clerical/arithmetic errors in the computation of AGR demands. Subsequently, on August 10, 2021, the Company has filed a review petition against the order dated July 23, 2021, which is pending for outcome.

Your Company is disappointed by the verdict and will take further legal recourse as appropriate. Your Company believes the government recognizes the criticality of the sector and the importance of retaining healthy competition amongst private sector operators. Your Company's robust wireless digital infrastructure covering 1.2 billion population for mobile telecommunication services has played a key role in nation building and is critical for the country's Digital India Mission. As the industry continues to remain under unsustainable financial duress, your Company is hopeful that the government will provide the necessary support to address all structural issues faced by the sector. Your Company with a history of providing 25 years of mobile services to the country is hopeful that the government will support its efforts to generate reasonable returns on their massive investments. Therefore, while the Company awaits the final Government's decision, it will continue to remain focused on providing quality service to the customers and sustain intensity in the market.

Yours Sincerely,



Himanshu Kapania

**Vodafone and Idea
are now**



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CONTENTS

2	Board of Directors
3	Corporate Information
7	Directors' Report
58	Management Discussion and Analysis Report
75	Corporate Governance Report
101	Business Responsibility Report

Standalone Financial Statements

122	Independent Auditor's Report
135	Balance Sheet
137	Statement of Profit and Loss
138	Statement of Changes in Equity
140	Statement of Cash Flows
143	Notes forming part of the Financial Statements

Consolidated Financial Statements

207	Independent Auditor's Report on Consolidated Financial Statements
214	Consolidated Balance Sheet
216	Consolidated Statement of Profit and Loss
218	Consolidated Statement of Changes in Equity
220	Statement of Consolidated Cash Flows
223	Notes forming part of the Consolidated Financial Statements

BOARD OF DIRECTORS



Mr. Arun Adhikari
Independent Director



Mr. Arun Thiagarajan
Independent Director



Mr. Ashwani Windlass
Independent Director



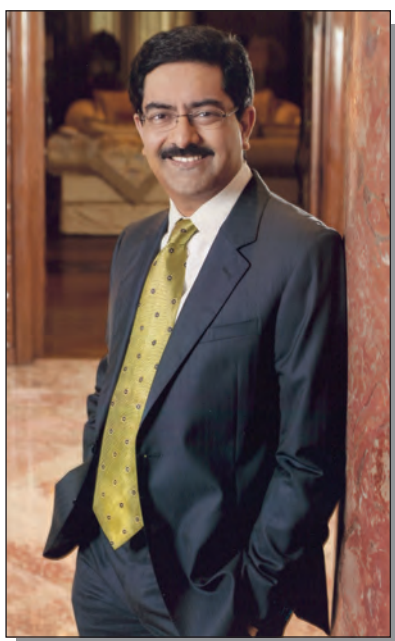
Mr. D. Bhattacharya
Non-Executive Director



Mr. Himanshu Kapania
Non-Executive Chairman
(w.e.f. August 4, 2021)



Mr. Krishnan Ramachandran
Independent Director



Mr. Kumar Mangalam Birla
Non-Executive Chairman
(upto August 4, 2021)



Ms. Neena Gupta
Independent Director



Mr. Ravinder Takkar
Managing Director &
Chief Executive Officer



Mr. Suresh Vaswani
Independent Director



Mr. Diego Massidda
Non-Executive Director
(w.e.f. February 24, 2021)



Mr. Sunil Sood
Non-Executive Director
(w.e.f. February 24, 2021)



Mr. Sushil Agarwal
Non-Executive Director
(w.e.f. August 4, 2021)



Mr. Thomas Reisten
Non-Executive Director
(upto February 24, 2021)



Mr. Vivek Badrinath
Non-Executive Director
(upto February 24, 2021)

CORPORATE INFORMATION

Managing Director & Chief Executive Officer

Mr. Ravinder Takkar

Chief Financial Officer

Mr. Akshaya Moondra

Company Secretary

Mr. Pankaj Kapdeo

Statutory Auditors

S.R. Batliboi & Associates LLP
Chartered Accountants,
12th Floor, The Ruby,
29, Senapati Bapat Marg,
Dadar (West),
Mumbai - 400 028

Cost Auditors

Sanjay Gupta & Associates
Cost Accountants
C-4E/135, Janakpuri
New Delhi - 110 058

Secretarial Auditors

Umesh Ved & Associates
Company Secretaries
304, Shoppers Plaza V,
Opp. Municipal Market,
C.G. Road, Navrangpura,
Ahmedabad - 380 009

Registrar and Share Transfer Agents

Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis,
Makwana Road,
Marol, Andheri (East),
Mumbai - 400 059

Debenture Trustees

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai - 400 001

Corporate Office

Birla Centurion, 10th Floor,
Century Mills Compound,
Pandurang Budhkar Marg,
Worli,
Mumbai - 400 030

Corporate Identity Number (CIN)

L32100GJ1996PLC030976

Registered Office

Suman Tower,
Plot No. 18, Sector - 11,
Gandhinagar - 382 011
Gujarat

Website

www.vodafoneidea.com

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12am-6am
unlimited data



Weekend
data rollover



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Always connected

Get seamless and extended indoor coverage



Better voice quality

Make clear calls with no call drops



Call anywhere

When connected to WiFi



No app required

Use your Vi™ mobile for WiFi calling



**one family.
one postpaid plan.
one big saving.**

Save more with a single bill
on your Vi™ Family Plan.

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the Twenty Sixth Annual Report, together with the audited financial statements of the Company for the Financial Year ended March 31, 2021.

Company Overview

Your Company, a partnership between two strong promoters Aditya Birla Group and Vodafone Group, is a major telecommunications operator in India, offering voice, data, enterprise services and other Value Added Services ("VAS"), including Short Messaging Services, Digital Services, IoT etc. As of March 31, 2021, the subscriber base of your Company stands at 255.7 million (on VLR). The subscriber market share on VLR stands at 25.7%, as of March 2021. The Wireless Revenue Market Share (RMS) on Gross Revenue basis (GR) for your Company stands at 23.2% for the Financial Year 2021.

Your Company provides Voice and Data services on 2G, 3G and 4G technologies across all 22 service areas and has strong spectrum portfolio and network footprint to support the burgeoning demand for both, data and voice. Your Company has a large spectrum holding comprising 1,768.4 MHz spectrum across 22 circles, of which 1,738.4 MHz is liberalised spectrum which can be used towards deployment of any technology.

Your Company's mobile telecommunication services cover more than 1.2 billion Indians. As of March 31, 2021, your Company has 452,650 broadband (3G+4G) sites and all of the 4G sites are VoLTE enabled, offering a better customer experience. Your Company has also launched Voice over WiFi (VoWiFi) in several circles this year, which will be expanded to rest of the country soon. The broadband network is spread over 331,000 towns and villages and covers more than a billion Indians. Your Company has been deploying Dynamic Spectrum Re-farming (DSR), Massive MIMO and Small cells to maximize spectrum efficiency. Additionally, your Company has been actively deploying LTE on TDD band of 2300 MHz and 2500 MHz spectrum band to expand the capacity and on 900 MHz band to improve customer experience in dense areas. Your Company also derives revenue from carrying India inbound ILD traffic through arrangements with other mobile telecommunication companies and long distance carriers operating outside India. Your Company has a portfolio of over ~376,000 km of Optical Fibre Cable (OFC), including own built and Indefeasible Right of Use (IRU) OFC.

After successful completion of our network and IT consolidation in FY20, as the last leg of the integration journey, your Company launched the new unified brand **vi**, on September 07, 2020. The new brand leverages on the legacy of two of the most loved brands of the country -  and .

which have brand saliency established over decades. Vi™ is built to be strong, ever-dependable, agile, intuitive, and a brand in tune with the needs of the customers, in these ever-changing times. Your Company also launched **GIGAnet** - an integrated 4G network for its users. GIGAnet is the result of the largest network integration completed in record time and one of the world's largest DSR (Dynamic Spectrum Refarming) exercise. It has India's largest AI-powered Massive MIMO sites along with largest deployment of universal cloud making it a 5G ready network.

Your Company's vision is to 'Create world class digital experiences to connect and inspire every Indian to build a better tomorrow'. To achieve this end, your Company is developing world-class infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings, conveniently accessible through an eco-system of digital channels as well as extensive on-ground presence.

Financial Results and Summary

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

The standalone and consolidated financial highlights of your Company for the Financial Year ended March 31, 2021 are summarized as follows:

Particulars	(in ₹ Mn)			
	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Income from sale of goods and services	416,589	446,830	419,382	449,167
Other Operating Income	138	320	140	408
Other Income	2,584	10,861	1,742	10,393
Total Revenue	419,311	458,011	421,264	459,968
Operating Expenses	252,442	300,976	250,065	300,450
EBITDA	166,869	157,035	171,199	159,518
Depreciation and Amortisation	229,062	238,888	236,385	243,564
EBIT	(62,193)	(81,853)	(65,186)	(84,046)
Interest and Finance charges	179,916	153,772	179,981	153,920
EBT	(242,109)	(235,625)	(245,167)	(237,966)
Exceptional Items (Net)	(221,036)	(387,242)	(199,681)	(383,557)
Share of JV/Associates	-	-	2,314	3,553
Profit / (Loss) Before Tax	(463,145)	(622,867)	(442,534)	(617,970)
Taxes	(208)	108,448	(203)	120,811
Profit / (Loss) after Tax	(462,937)	(731,315)	(442,331)	(738,781)
Other Comprehensive Income, net of tax	(4,152)	(18,242)	368	(90)
Total Comprehensive Income	(467,089)	(749,557)	(441,963)	(738,871)

Standalone revenue of your Company stood at ₹ 416,727 Mn, a decrease of 6.8% over previous year. The EBITDA stood at ₹ 166,869 Mn, registering an increase of 6.3% over the previous year. The Net Loss including amount specified in other comprehensive income of the Company for the Financial Year March 31, 2021 stood at ₹ 467,088 Mn, vis-à-vis ₹ 749,557 Mn, for the previous year.

On a consolidated basis, the revenue of your Company stood at ₹ 419,522 Mn, a decrease of 6.7% over the previous year. The EBITDA at ₹ 171,198 Mn reflects increase of 7.3% as compared to the previous year. The Consolidated Net Loss including amount specified in other comprehensive income of the Company stood at ₹ 441,964 Mn, for Financial Year 2019-20 vis-à-vis ₹ 738,871 Mn for the previous year.

Operations Review

The Indian wireless industry continues to grapple with challenges of hyper competition and unsustainable tariffs which were further aggravated by the COVID-19 pandemic. The pandemic and the subsequent lockdowns continue to cause significant disruption and slowdown of economic activities. Through these difficult and challenging times, your Company has played a critical role in providing seamless connectivity to millions of Indians. Vodafone Idea's high quality mobile network has formed the backbone to the digital infrastructure of the country, as throughout the pandemic, several businesses and corporations shifted to virtual workspaces and friends and families connected online. Your Company also extended support to its marginalized customers, who were the most severely affected, through validity extension, free talktime and other means. As the second wave continues to wreak havoc, your Company remains committed in providing uninterrupted services to all Indians in this difficult time, while ensuring exceptional quality of services. After extending free validity and talktime in the first wave to the marginalized customers, your Company again offered special relief package during the severe second wave of the pandemic to low income users offering free validity and talktime.

While the operating environment continues to remain challenging, increasing digital penetration which has got a further boost during the pandemic, remains a massive opportunity for telecom industry especially when the pricing revives in future. Increasing content consumption, especially through video, and social media usage is driving strong demand for high speed internet, and all the telecom operators with their massive network investments, are well placed to benefit from this trend. During Financial Year 2020-21, wireless broadband penetration continued to improve supported by growing work-from-home culture and

businesses moving online. Wireless broadband subscriber base was 755.4 million (broadband penetration ~64.0%) as of March, 2021 compared to 668.3 million (broadband penetration ~57.7%) as of March, 2020. During the year, TRAI has also abolished the domestic interconnect regime and moved to Bill & Keep starting January 1, 2021.

Your Company has successfully completed the integration exercise and fully realized the targeted synergies at a record pace in comparison with any global mergers, especially given the size, scale and complexity of the integration. The five pillar strategy which acted as a compass to navigate the critical phase of integration continues to guide your Company going forward. As a natural progression or evolution of the strategy, below are the ongoing major strategic initiatives to improve your Company's revenue and profitability as well as to strengthen its overall position in the market:

- 1. Focused network investments for superior customer experience** – Your Company continues to have a focused approach to investments, biased towards the profitable areas, to utilize capex effectively while ensuring that it offers superior customer experience in these areas. Your Company has been driving incremental 4G investments in the 16 priority circles, which contribute 94% of Vi revenue and 86% of industry revenue. Your Company also has been adding 4G capacity through spectrum refarming in these areas. Your Company has been deploying several 5G ready technologies such as, Massive MIMO, DSR, Cloudification of Core, which are central to its future growth strategy. Your Company has also initiated 5G trials with major network partners.
- 2. Market initiatives to drive ARPU improvement** – While tariff hikes remain crucial to improve the overall industry health, your Company has undertaken several market initiatives to improve ARPU by driving 4G/UL penetration. As a part of the customer excellence drive, your Company has been transforming customer servicing across all touchpoints with a clear focus towards shift to digital. Further, as part of its digital-first approach, your Company has renewed its focus on digitalization of distribution channel to completely automate sales process creating seamless and efficient journey for the channel partners.
- 3. Focusing on Business Services and Fast-Growing Revenue Segments** – Business services remains one of the key focus areas where your Company leverages its multi-year relationships with customers and global strength of Vodafone group. Vi Business continues to deliver growth by partnering both large enterprises and

SMBs, in their digital transformation programs which have got accelerated during the pandemic. In new business streams, cloud services remains central to the growth strategy. Your Company continues to maintain strong positioning in IoT offerings, which has a potential to grow manifold in the near future.

4. Driving partnerships and digital revenue streams

– Your Company continues to focus on its platform capabilities to offer deeper integration with its partners for a differentiated experience, create monetization opportunities and truly become an integrated digital service provider. On content, your Company's strategy has always been to partner "best in class" across global and regional content aggregators. Further, the tie-ups with e-commerce platforms, handset manufacturers, financial institutions, NBFCs among many others will drive value not only for the customers, but also for your Company and its partners.

5. Cost optimization to drive organizational efficiency

– After successfully achieving targeted merger opex synergies of ₹ 84 billion, your Company has undertaken the cost optimization exercise across the organization in line with the evolving industry structure and business model. Your Company targets to achieve ₹ 40 billion of annualized cost savings by end of calendar year 2021. Through several initiatives, your Company has already achieved ~65% of the targeted annualised savings on a run-rate basis by the end of FY21.

Your Company has thus been making significant progress on various strategic initiatives and continues to strive towards transforming from a pure play mobile operator to a truly integrated digital service provider.

Dividend

As your Company has incurred net loss during the Financial Year 2020-21, your Directors have not recommended any dividend for the year.

Transfer to Reserves

During the Financial Year under review, the Board has not proposed to transfer any amount to Reserves.

Changes in Share Capital

During the year under review, there was no fresh issue of capital by the Company. The issued, subscribed and paid-up equity share capital of your Company as on March 31, 2021 stood at ₹ 287,354 Mn comprising of 28,735,389,240 Equity Shares of ₹ 10/- each.

Finance

On a standalone basis, the Company had Cash and Cash Equivalents of ₹ 2,402 Mn and Fixed Deposits with banks having maturity of 3 to 12 months of ₹ 2 Mn as on March 31, 2021. The Company's net debt as on March 31, 2021 increased by ₹ 674,525 Mn to ₹ 1,801,429 Mn as compared to ₹ 1,126,904 Mn last year.

On a consolidated basis, the Company had Cash and Cash Equivalents of ₹ 3,503 Mn and Fixed Deposits with banks having maturity of 3 to 12 months of ₹ 27 Mn as on March 31, 2021. The Company's net debt as on March 31, 2021 increased by ₹ 674,378 Mn to ₹ 1,799,573 Mn as compared to ₹ 1,125,195 Mn last year.

The Department of Telecommunications (DoT) had provided an option for deferment of payment of spectrum auction installments due for payment during the Financial Years 2020-21 and 2021-22. We have opted for deferment of instalments due during these financial years, due to which there have been no instalment payments to DoT in Financial Year 2020-21.

During the year, the Company had opted for moratorium on interest and principal payments on rupee term loans from banks pursuant to the RBI notifications dated March 27, 2020 and May 23, 2020 permitting inter-alia, banks to grant a moratorium of six months to each borrower in respect to interest and principal payments falling due between March 1, 2020 and August 31, 2020. All amounts covered under the moratorium have been subsequently paid in full except as follows:

- (i) In respect one of the term loans, the lender had granted an option of converting the interest accrued during moratorium period as principal. The Company availed this option due to which interest amounting to ₹ 2,143 Mn has been capitalized and will be repaid alongwith the last installment.
- (ii) In respect to another term loan, principal payment of ₹ 625 Mn was due for payment on June 30, 2020. The lender has granted deferment of the entire loan repayment schedule by 3 months and accordingly the amount due on June 30, 2020 was repaid on September 30, 2020.

All other scheduled loan repayments were made on respective due dates.

Credit Rating

During the Financial Year 2020-21, CARE downgraded the Company's rating with respect to Long Term Bank Facilities and certain Non-Convertible Debentures to 'CARE B+/Credit

Watch with negative implications' (previous year end rating 'CARE BB- / Credit Watch with negative implications'). Further, Brickwork Ratings has withdrawn the rating watch with respect to certain Non-Convertible Debentures amounting to ₹ 25,000 Mn to 'BWR BB-/Stable' (previous year end 'BWR BB-/Credit Watch with negative implications'). Consequent to full repayment of Non-Convertible Debentures due on July 10, 2020 the credit ratings issued on these instruments by CRISIL and India Ratings have been withdrawn.

On 21st July 2021, Brickworks has revised the outlook with respect to certain Non-Convertible Debentures amounting to ₹ 25,000 Mn from BWR BB- (Stable) to BWR BB- (Negative).

On 13th August, 2021, CARE has further downgraded the Company's rating with respect to Long Term Bank Facilities and Non-Convertible Debentures to CARE B- (Credit Watch with Negative Implications).

Capital Expenditure

On a standalone basis, the capital expenditure (including capital advances and excluding RoU assets and Spectrum) incurred was ₹ 36,244 Mn in the Financial Year 2020-21. Further to the above, the Company has incurred ₹ 3,552 Mn towards Bandwidth and ₹ 5,747 Mn paid towards the upfront payment for the unassigned spectrum.

On a consolidated basis, the capital expenditure (including capital advances and excluding RoU assets and Spectrum) incurred was ₹ 37,981 Mn in the Financial Year 2020-21. Further to the above, the Company has incurred ₹ 3,552 Mn towards Bandwidth and ₹ 5,747 Mn paid towards the upfront payment for the unassigned spectrum.

Fixed Deposits

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding, as on the date of the Balance Sheet.

Significant Developments

• Spectrum Auction – March 2021

Your Company participated in Spectrum Auction conducted by Department of Telecommunications (DoT) in March, 2021 and acquired 23.6 MHz of spectrum across 900 and 1800 MHz in Tamil Nadu, Karnataka, Uttar Pradesh (East), Uttar Pradesh (West), and West Bengal at an aggregate value of ₹ 19.93 billion. Your Company has also optimized spectrum holding in some of the circles. Post March 2021 spectrum auction, your Company's overall spectrum holding is 1,768.4 MHz

across different frequency bands out of which 1,738.4 MHz spectrum is liberalised and can be used towards deployment of any technology (2G, 3G, 4G or 5G).

• Amalgamation of Indus Towers Limited with Bharti Infratel Limited

Indus Towers Ltd. (Indus), was a joint venture between the Company, Bharti Infratel Ltd. (Bharti Infratel) and Vodafone Group and the Company held 11.15% stake in Indus. On April 25, 2018, the merger of Bharti Infratel and Indus Towers was announced to create a listed Pan-India Tower Company. On November 19, 2020, the merger of Indus and Bharti Infratel was completed. The Company has sold its 11.15% stake in Indus on completion of the merger for a cash consideration of ₹ 37,642 Mn in accordance with the terms of agreement. Out of the consideration received from Bharti Infratel, the Company has made a prepayment of ₹ 24,000 Mn to the merged tower entity, which was fully adjusted in line with terms of the agreement.

• AGR Matter

The Hon'ble Supreme Court on October 24, 2019 along with supplementary order dated July 20, 2020 and final order dated September 1, 2020 delivered its judgment (together referred to as "AGR Judgment") upholding the view considered by Department of Telecommunications ("DoT") in respect of the definition of Adjusted Gross Revenue ("AGR") ("AGR Judgment"). The order upheld the principal demand, levy of interest, penalty and interest on penalty. This AGR Judgment has significant financial implications on the Company.

On July 20, 2020, the Hon'ble Supreme Court, after hearing all parties, observed that the amount to be recovered (preliminary assessed) given by DoT in its modification application are taken to be as final amount and there can be no dispute raised about it. The Company during the year paid further sum of ₹ 10,000 Mn and accordingly, the total payment as at March 31, 2021 (including the payment of ₹ 68,544 Mn paid during year ended March 31, 2020) towards the dues following this AGR Judgment stands at ₹ 78,544 Mn.

Subsequent to the same, the Hon'ble Supreme Court vide its final order dated September 1, 2020, has inter-alia directed that for the demand raised by the DoT in respect of the AGR dues based on the judgment of this Court, there shall not be any dispute raised by

any of the Telecom Operators and that there shall not be any reassessment; the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021 and thereafter, Telecom Operators to make payment in yearly instalments commencing from April 1, 2021 to March 31, 2031 payable by 31st March of every succeeding financial year. As the cumulative amount paid by the Company exceeded 10% of the total liability, which it believes is as demanded by DoT for the period upto the date of judgment, the next instalment would be payable only by 31st March, 2022. Accordingly, the Company has informed DoT that it has paid more than 10% of the total dues and has complied with the Hon'ble Supreme Court order. The Company has also filed affidavit with the Hon'ble Supreme Court order confirming payment of 10% of the total dues with an undertaking to pay arrears as per the court judgment.

Further, on January 7, 2021, the Company had approached Hon'ble Supreme Court requesting them to allow DoT to correct manifest/clerical/arithmetic errors in the computation of AGR demands and carry out the corrections in accordance with law within a reasonable period of time. The Supreme Court vide its order dated July 23, 2021, rejected the application filed by the Company and other operators. Subsequently, on August 10, 2021, the Company has filed a review petition against the order dated July 23, 2021, which is pending for outcome. Meanwhile DoT issued additional demands for which the Company has written to them requesting corrections of certain computational errors, admissible pass-through not considered based on the principles laid down in the AGR judgement.

- **One-time Spectrum Charge Matter**

In respect of levy of One Time Spectrum Charge ('OTSC'), the DoT has raised demand on the Company and erstwhile Vodafone India Limited (VInl) and Vodafone Mobile Services Limited (VMSL) in January 2013 for spectrum beyond 6.2 MHz in respective service areas for retrospective period from July 1, 2008 to December 31, 2012 and for spectrum beyond 4.4 MHz in respective service areas effective January 1, 2013 till expiry of the period as per respective licenses. In the opinion of the Company, the above demand amounts to alteration of financial terms of the licenses issued in the past and therefore the Company filed a petition in the Hon'ble High Court of Bombay, which vide its order dated January 28, 2013, had directed the DoT

to respond and not to take any coercive action until the next date of hearing. Similarly erstwhile VInl and VMSL had filed a petition before the Hon'ble TDSAT. Hon'ble TDSAT vide its order dated July 4, 2019 held that for spectrum below 6.2 MHz, OTSC is not chargeable and accordingly demand is set aside. For spectrum beyond 6.2 MHz, if spectrum is allotted after July 01, 2008, OTSC shall be levied from the date of allotment of such spectrum and if spectrum is allotted before July 01, 2008, OTSC shall be levied from January 01, 2013 till the date of expiry of licenses and ordered DoT to issue revised demands, if any, as per terms of direction given. The Company filed an appeal before the Hon'ble Supreme Court against the Order of the TDSAT. On March 16, 2020, the Hon'ble Supreme Court dismissed the appeal of the Company and did not interfere with the TDSAT judgement. The DoT's appeal against the said TDSAT Order for the levy on Spectrum below 6.2 MHz is pending.

Brand Overview

Your Company launched (on September 7, 2020) a new & unified brand **VI**, on the back of the world's largest network integration. The new brand leverages the legacy of two of the most loved brands of the country -  and , which have brand equity established over decades. Vi™ is a brand with its eyes set on the future, it's built for and around the customer - as we partner every Indian to create a better and brighter tomorrow, together. Vi™ is built to be strong, ever-dependable, agile, intuitive, and a brand in tune with the needs of the customers, in these ever-changing times. It is future ready and committed to dynamically serve and enable a digital society to progress in life.

Your new brand **VI** has already garnered strong awareness and continues to build brand affinity & consideration across all customer segments in the country.

Vi™ powered by **GIGAnet** - an integrated 4G network is the result of the largest network integration completed in record time. It was backed with one of the world's largest DSR (Dynamic Spectrum Refarming) and has India's largest AI-powered Massive MIMOs sites along with largest deployment of universal cloud.

It was the fastest 4G network in the country with the best download & upload speeds - verified by Ookla®, as well as the best voice quality - consecutively for 3 quarters, since its launch.

Marketing and other initiatives

During the year under review, your Company made extensive progress on the marketing front by communicating and differentiating, by entering into various alliances, and by introducing various innovative products and services. Some of these are:

- Your Company launched the new unified brand **VI** through a high impact, high decibel Marketing & PR campaign starting with a media launch and complete roadblock of the entire Zee network to announce the arrival of Vi and built rapid awareness. This was one of the world's largest brand launch to have been done amidst the pandemic. The launch of Vi was further amplified with TV & digital ads showcasing people from all around coming together to welcome Vi and also had many partners, as well as other brands welcoming the new brand. Also, to offer personalized Vi experience we launched personalized caller tune service and a personalized AR Filter.
- During the launch of Vi, we had announced Happy Surprises on the Vi app and website, where customers were delighted with various prizes when they were part of the gamified engagement with the brand. This was promoted on digital & TV and helped build strong engagement & affinity with the brand.
- As a way to build affinity, stickiness & consideration, your Company launched a delights campaign wherein one could experience Vi GIGAnet and share their experience, get gifts in return and be delighted. We also promoted to non-users by saying that the best time to join Vi is now. This was promoted on TV & digital.
- To build a competitive advantage by leveraging the network integration and its benefits, your Company launched GIGAnet - A network that's built with the strength of two - Vodafone & Idea. This was supported through a campaign on TV & Digital which showcased emotional connect stories of the role the network plays in our lives and how it helps us thrive. This has led to stronger network perception.
- Vi GIGAnet was the fastest 4G network in the country between July 2020 and March 2021, as per Ookla. In order to leverage this and to showcase the re-energised network, your Company ran phased campaigns.
 - o The first campaign #Fastest4GIsHere was functional and introduced GIGAnet as the fastest 4G of India and in many states and cities as well. This was further supported by customized communication that had a multiplied impact by claiming to be the fastest not just in that city, but also the state and in the country.
 - o It was followed with an emotional connect campaign #SpeedSeBadho - that showcased how one could thrive in life by getting ahead with speed using Vi powered by GIGAnet- the fastest 4G of India. To engage with customers, we launched #SpeedSeBadho challenge on social media wherein through a fun filter, people experienced the speeds of GIGAnet. The campaign was extensively promoted on TV & Digital.
- In the post Covid world, the role of internet has become more relevant and digital adoption & usage has accelerated. Entertainment, work from home, learning and health care became of prime importance. Your Company devised multiple ways to support customers on these fronts.
 - o In line with your Company's strategy of accelerating unlimited base & 4G adoption through attractive content & device-led propositions, your Company introduced a Zee5 pack & plan for prepaid as well as postpaid users and was promoted on Radio & TV & digital.
 - o Vi continued to partner content companies and promoted new & engaging content through Vi Movies & TV and movie on demand on digital.
 - o With the need for data increasing more & more, your Company launched & promoted on digital and on-ground.
 - Unlimited night data – a differentiated proposition wherein one gets unlimited data between 0000-0600 hrs on unlimited packs above ₹ 249/-.
 - Weekend Data Rollover - an exclusive proposition of being able to carry forward unused data from weekdays to weekends on unlimited packs above ₹ 249/-.
 - o As learning became completely online and the need for upskilling increased, Vi offered upskilling options through partnerships with Pedagogy, udemy, upgrad which was promoted on TV & digital.

- o With health being of prime importance, customers could stay healthy with Vi through the benefits your Company offered via partnerships with 1 mg, cure.fit, Mfine which was promoted on TV & digital. It also partnered with Aditya Birla Health Insurance to offer free health insurance to its customers on select packs.
- India is a cricket loving nation and IPL gives a great opportunity to connect with customers. To engage with the users, increase usage of the website and app, Vi launched a digital campaign “Vi 20 FanFest”. This campaign led to Vi becoming one of the most buzziest brands and generating strong engagement amongst the users.
- Through the year, Vi engaged with its users on social media via various topical campaigns around events such as Friendship Day, Diwali (#ViKiPehliDiwali), Children’s Day, Christmas and Holi etc. Some of these were also extended to Vi Retail stores as the lockdowns were lifted. All these helped in driving positive sentiments and buzz for the brand keeping it on top of the mind of the users and also build a stronger brand affinity.

Partnerships & Alliances

- Vi Business has expanded its range of meaningful propositions for small and medium businesses, along with the best of partner offerings, to help enterprise customers build a better tomorrow. The digital propositions help businesses with administer finance and invoicing digitally on an app, workflow and process automation solutions and global marketplace.

- **Integrated IoT Solutions**

One of the strategic focus areas for your Company has been to position itself as a market leader in IoT and other emerging technology businesses. Vi Business, the enterprise arm, has strengthened its IoT portfolio with the launch of Integrated IoT solutions for enterprises. With this industry first initiative, VIL has become the only Telecom Company in India to offer a secure end-to-end IoT solution offering that comprises connectivity, hardware, network, application, analytics, security and support. The offering is designed to simplify and accelerate the digital transformation journey for enterprises.

Recognizing the challenges faced by enterprises in conceptualizing, designing and deploying IoT as a strategic driver, with Vi Integrated IoT solutions, the

telco is now adopting a consulting-led engagement to support businesses in identifying their needs, design and develop the right IoT solution and implementation. It is also providing them with tailored solutions to be integrated with best-in-class enterprise-grade IoT framework.

Vi is the largest IoT player in India and with this launch, it has further strengthened its portfolio by providing a comprehensive range of IoT solutions across Industries for – Smart Infrastructure, Smart Mobility and Smart Utilities, on its 5G-ready network. With Vi Integrated IoT Solutions, an enterprise can now focus on its core strength, thus simplifying and accelerating IoT Innovation.

With this launch, Vi is well positioned to capitalize on future growth driven by the Government’s push towards ‘Digital India’ and ‘Smart Cities’. A trusted and valued IoT partner in the nascent industry, and with its strong foundation, Vi is helping enterprises succeed in IoT, thereby paving the way for a digitally enhanced market in India. The launch of Vi Integrated IoT Solutions is a strategic step towards making Vi Business - an IoT ecosystem integrator for Indian enterprises, and positioning Vi to have an Ecosystem Play driving our transformation from a ‘Telco’ to ‘TechCo’.

- **IoT Self-Scan: Framework for IoT Maturity**

Highlighting the potential of IoT adoption in manufacturing, Vi Business also launched an IoT Insights report “Vi IoT Self Scan: Framework for accessing IoT maturity” basis its key learnings of working closely with the manufacturing companies. According to the report, manufacturing companies recognize the business need to build a connected factory ecosystem. Most companies wish to automate their plant operations with IoT in the next few years. IoT Self Scan Report identifies other reasons like production monitoring, planning and scheduling, quality and compliance and process optimization as triggers for manufacturing companies to adopt IoT.

- Vi Business continues to support enterprises, SMEs and COVID vaccine ecosystem with our Techco solutions during the pandemic.
- Vi Business Plus, an industry leading mobility solution, enables today’s mobile workforce to connect, communicate, collaborate and do a lot more with their postpaid plans. The Mobile plans are bundled with

Security and location services to help enterprises and businesses balance the corporate and individual needs.

- Vi Business has launched Managed Security Services, in partnership with Fortinet, to serve growing security needs of enterprises as they embrace digital ways of operations.

Awards and Recognitions

Some key awards and recognitions received by your Company during the period are:

- Vi Business won two Frost & Sullivan India ICT Awards:
 - F & S Managed Enterprise Wi-Fi Provider of the Year
 - F & S M2M Connectivity Service Provider of the Year
- Vi Business won four CIO Choice awards:
 - CIO Choice recognition as the most preferred service provider for IoT;
 - CIO Choice recognition for most preferred service provider for Telecom carrier (mobile access);
 - CIO Choice recognition for most preferred service provider for Managed Mobility; and
 - CIO Choice recognition for most preferred service provider for SIP Trunk.
- Enterprise digital platform for Vi business mobility was recognized by a global jury at ICMG Global awards 2020, for having the best customer centricity and architectural design.
- Vi App won the UI-UX award at the prestigious DNA Paris Design Awards in 2021.
- Vi won the Global Omni Award Spring 2021 edition for its interactive learning management system for frontline customer service workforce.
- Vi's VIC Chatbot received the top global prize award for the best chat-bot integration with Google Business Messaging platform by Google.
- Vi won a Silver for 'Vi – Together for Tomorrow' Integrated PR Campaign for the new brand launch at the 11th E4M IPRCCA Awards 2020.
- Vi won a Bronze for 'Vi – Championing Digital India' campaign under 'Best Use of PR by a Corporate category' at the 11th E4M IPRCCA Awards 2020.

Subsidiaries and Joint Ventures

As on March 31, 2021, your Company has ten subsidiary companies, one joint venture company and one associate company, details whereof are given below:

Subsidiaries

1. Vodafone Idea Manpower Services Limited (VIMSL) erstwhile Idea Cellular Services Limited

VIMSL is engaged in the business of providing manpower services to the Company. During the year under review, the total income stood at ₹ 702 Mn compared to ₹ 938 Mn in the previous year.

2. Vodafone M-pesa Limited (VMPL)

VMPL was in the business of Prepaid Payment Instruments (PPI) and Business Correspondence and provided customers with a mobile wallet and money transfer services in the form of M-pesa. During the Financial Year 2019-20, the Company surrendered its PPI License issued by the RBI under the Payment and Settlement System Act, 2007 with effect from September 30, 2019 as per the guidance and approval of RBI - Department of Payment and Settlement System [Refer Note 40(iii) to the Standalone Financial Statements for further details]. During the year, VMPL has total income of ₹ 27 Mn as compared to ₹ 129 Mn in the previous year.

3. Vodafone Idea Business Services Limited (VIBSL) erstwhile Vodafone Business Services Limited

VIBSL is an outsourcing hub for backend IT support, data centre operations and hosting services to the Company and its subsidiaries. It also has an OSP business. During the year under review, the total income stood at ₹ 1,609 Mn as compared to ₹ 2,238 Mn in the previous year.

4. Vodafone Idea Communication Systems Limited (VICSL) erstwhile Mobile Commerce Solutions Limited

VICSL is engaged in the business of trading of Mobile handsets, data card and related accessories and services. During the year under review, the total income stood at ₹ 329 Mn compared to ₹ 329 Mn in the previous year.

5. Connect (India) Mobile Technologies Private Limited (CIMTPL)

CIMTPL is a wholly owned subsidiary of VICSL. For the Financial Year 2020-21, the total income stood at ₹ 7 Mn compared to ₹ 12 Mn in the previous year. The

Board of CIMTPL has approved amalgamation of CIMTPL with its holding Company namely VICSL and the scheme of amalgamation is in process of being filed with NCLT.

6. Vodafone Foundation (VF)

VF is a section 8 Company as per Companies Act 2013. Pursuant to the enactment of Companies Act, 2013 and Section 135 of the Companies Act, 2013, VF is an implementing agency and carries out Corporate Social Responsibility ('CSR') activities for the Company, its subsidiaries, associates and joint ventures, promoter group companies in line with the Schedule VII of the Companies Act, 2013. VF primarily focuses on CSR activities that includes promoting and development of (a) education, (b) financial literacy, (c) empowerment of woman, (d) healthcare, (e) environment, (f) agriculture & livelihood, (g) eradication of poverty.

7. Vodafone Idea Telecom Infrastructure Limited (VITIL) erstwhile Vodafone Towers Limited

VITIL is engaged in providing the fibre infrastructure services to its customers on existing fibre portfolio of ~165,000 kms. For the Financial Year 2020-21, the total income stood at ₹ 6,091 Mn compared to ₹ 2,184 Mn in previous year.

8. Vodafone Idea Shared Services Limited (VISSL) erstwhile Vodafone India Ventures Limited

VISSL is an outsourcing hub for Finance & 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 support for Vodafone Idea Limited and its Subsidiary Companies. During the year under review, the total income stood at ₹ 1,426 Mn compared to ₹ 1,362 Mn in the previous year.

9. Vodafone Idea Technology Solutions Limited (VITSL) erstwhile Vodafone Technology Solutions Limited

VITSL has commenced E-Sim business in the current year. During the year under review, the total income stood at ₹ 57 Mn compared to ₹ 0.3 Mn in the previous year.

10. You Broadband India Limited (YBIL)

YBIL is engaged in providing high speed broadband internet access through cable network, high bandwidth internet broadband services to enterprise segment, infrastructure support to licensed telecommunication service providers. During the

Financial Year 2020-21, You System Integration Private Limited (YSIPL) have been merged with the YBIL effective March 15, 2021 with an appointed date of April 1, 2020. For the Financial Year 2020-21, the total income stood at ₹ 1,849 Mn compared to ₹ 1,865 Mn in the previous year.

11. You System Integration Private Limited (YSIPL)

YSIPL, a wholly-owned subsidiary of YBIL had amalgamated with You Broadband India Limited with effect from March 15, 2021.

Joint Venture Company

1. Indus Towers Limited (Indus)

During the Financial Year 2020-21, the scheme of amalgamation and arrangement between Bharti Infratel and Indus became effective from November 19, 2020. Pursuant to aforesaid, Indus was dissolved without being wound up and got merged with Bharti Infratel Limited (the merged entity is hereafter named as Indus Towers Limited "Indus") on a going concern basis.

The Company has sold its 11.15% stake in Indus for a consideration of ₹ 37,642 Mn (Post the closing adjustments) to Bharti Infratel thereby recognizing a loss on sale amounting to ₹ 170 Mn as exceptional item.

2. Firefly Networks Limited

Firefly Networks Limited ('FireFly') is a joint venture with Bharti Airtel Limited, with each partner having equal (50% each) shareholding. The main objective of Firefly is to conduct the business of site acquisition, installation, commissioning, operations and maintenance of Infrastructures at the Hotspots to enable telecommunication and internet service providers, to offer customers Wi-Fi access across the territory. Revenue from operations for the Financial Year ended March 31, 2021 was ₹ 163 Mn as compared to previous year's ₹ 150 Mn. The Board of Directors have resolved to sell the equity held in the said joint venture, subject to all necessary approvals.

Associate Company

Aditya Birla Idea Payments Bank Limited (ABIPBL), an associate of the Company had decided to wind up business voluntarily on July 19, 2019, due to unanticipated developments in the business landscape of payments bank that have made the economic model unviable. ABIPBL had filed for voluntary winding up before the Bombay High

Court and the Hon'ble High Court vide its order dated September 18, 2019, approved voluntary winding up of ABIPBL. ABIPBL is in process of winding-up.

In accordance with the provisions contained in section 136(1) of the Companies Act, 2013 (Act), the Annual Report of the Company, containing therein its standalone and the consolidated financial statements are available on the Company's website www.vodafoneidea.com.

Further, pursuant to the said requirement, the financial statements of each of the aforesaid subsidiary companies are available on the Company's website www.vodafoneidea.com and shall be available for inspection during business hours at the Registered Office of the Company. Any member who is interested in obtaining a copy of the financial statements may write to the Company Secretary at the Registered Office of the Company.

In terms of provisions contained in Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries and joint venture companies in Form AOC-1 is provided as '**Annexure A**' to this report.

Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements forms part of this Annual Report and shall also be laid before the shareholders in the ensuing Annual General Meeting of the Company. The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

Risk Management

In compliance with the requirements of regulations contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, your Company has constituted a sub-committee of Directors known as Risk Management Committee, details whereof are set out in the Corporate Governance Report forming part of the Annual Report to oversee Enterprise Risk Management Framework. The role of the Risk Management Committee is inter-alia to approve the strategic risk management framework of the Company, and review the risk mitigation strategies and results of risk identification, prioritization & mitigation plans.

Your Company has a well-established Enterprise-wide Risk Management (ERM) framework in place for identification, evaluation and management of risks, including the risks which may threaten the existence of the Company. In line with your Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organized approach for evaluating and managing risks.

A detailed exercise is carried out to identify, evaluate, manage and monitor the risks. As required the Committee/Board meets to review the risks and steps to be taken to control and mitigate the same.

Detailed discussion on Risks forms part of Management Discussion and Analysis Report which forms part of this Annual Report under section 'Opportunities, Risks, Concerns and Threats'. At present there is nothing further to report.

Employee Stock Option Schemes

Your Company values its employees and is committed to adopt the best HR practices for rewarding them suitably. In this direction your Company had implemented the Employee Stock Option Scheme, 2006 (ESOS-2006) and Employee Stock Option Scheme, 2013 (ESOS-2013) with an objective of enabling the Company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company and made grants to eligible employees under ESOS-2006 and ESOS-2013 from time to time.

The Board of your Company has also approved broad parameters for implementing a new Employee Stock Option Scheme – 2018 (ESOS-2018), which has also been approved by the members at the Annual General Meeting held on December 22, 2018. The said Scheme is in the process of being implemented. Further, details of plans also form part of Notes to Financial Statements.

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the details of the Stock Options and Restricted Stock Units granted under the above mentioned Schemes are available on your Company's website www.vodafoneidea.com.

A certificate from M/s. Umesh Ved & Associates, Company Secretaries, Secretarial Auditors, certifying that the Company's Stock Option Plans are being implemented in accordance with the ESOP Regulations would be placed at the Annual General Meeting for inspection by Members.

Internal Financial Control Systems and its adequacy

Your Company has in place adequate internal control systems commensurate with the size of its operations. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal auditors and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2020-21.

Human Resource Management

Your Company's people architecture has been built on the principles of being a consumer centric company with technology as the bedrock. The organization has equipped itself for high change agility, has embedded trust at the foundation of its people agenda, and has adopted digital as the first port of call for all solution building.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance. Your Company continues to be compliant with the requirements of Corporate Governance as enshrined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). A Report on Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report. A certificate from the Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance, as stipulated in the Listing Regulations forms part of the Annual Report.

Business Responsibility Report

As stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective is presented in a separate section forming part of the Annual Report.

Corporate Social Responsibility

In terms of the provisions of section 135 of the Companies Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report which forms part of this report.

The Company has revised the policy on Corporate Social Responsibility ('CSR') to include changes based on Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and the revised policy was recommended by the CSR Committee and approved by the Board and the same can be accessed on the Company's website at www.vodafoneidea.com.

In view of the losses incurred by the Company during the last two financial years, the Company has no obligation for CSR spend during the Financial Year 2020-21.

However, believing on giving and caring for the underprivileged and inclusion of all, as well as the directive of Ministry of Corporate Affairs, the Board of the Company had passed a resolution to spend the unspent CSR obligation for Financial Years 2015-16 and 2016-17 in eight equal quarters beginning from April-June 2019. In Financial Year 2020-21, your Company spent ₹ 316.82 Mn towards CSR activities. In view of the unique circumstances caused by the ongoing pandemic, your Company had sought a one-quarter moratorium on the Ministry's dispensation and requested that your Company be allowed to spend the balance unspent amount by Q1 FY 22. MCA had granted your Company an extension of one quarter in disbursement and reporting. Additionally, MCA has directed the Company to spend the unspent CSR obligation of ₹ 228.20 Mn for Financial Year 2017-18 in 8 equal instalments over 8 quarters, commencing from April 2021.

The Company's CSR initiatives positively impacted the lives of around 28.5 lakh people across 17 States through multiple initiatives undertaken in the domains of (a) education, (b) financial literacy, (c) empowerment of women, (d) healthcare, (e) environment, (f) agriculture & livelihood, (g) eradication of poverty. Your Company during this pandemic period kept the project activities going on using the technology platforms that have been developed during the course of the project.

The Company's key objective is to actively contribute to the social and economic development of the communities by leveraging technology and purposeful innovation to catalyse social prosperity, digital literacy and inclusivity. Your Company

during the reporting year leveraged the technology strength and provided farm advisories to 55,000+ farmers on the basis of real time data received from the IoT solutions which are deployed in the farm fields. This helped farmers in applying correct and timely farm inputs. To encourage the meritorious Teachers and Students your Company provided Scholarship to 200 Teachers and 2,500 Students. 65,000 Teachers were provided online support including digital contents to continue the teaching. Your Company continued the previous programs and carried forward the learnings.

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in '**Annexure B**' of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

Directors' Responsibility Statement

The audited financial statements for the year under review are in conformity with the requirements of the Companies Act, 2013 and the applicable Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year under review and reasonably present your Company's financial condition and results of operations. Your Directors, to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- b) the accounting policies selected have been applied consistently and judgements and estimates are made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company as at the end of the financial year and of the financial performance and cash flows of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts were prepared on a going concern basis;
- e) your Company had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively; and

- f) your Company has devised a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors and Key Managerial Personnel

Mr. Kumar Mangalam Birla, Non-Executive Director and Chairman, who has been heading the Board since June 2006, stepped down from the Board of the Company with effect from August 4, 2021. The Board has elevated Mr. Himanshu Kapania, Non-Executive Director as Chairman with effect from August 4, 2021. The Board places on record its sincere appreciation for the outstanding efforts, contribution, support and above all the vision provided by Mr. Kumar Mangalam Birla, to the Company all along the journey.

Mr. Himanshu Kapania, a nominee of the Aditya Birla Group, is a telecom industry veteran with more than 30 years of over-all experience. This includes significant board experience in telecom companies globally. Mr. Kapania has also served on the Global GSMA Board for two years and was also the Chairman of the Cellular Operators Association of India (COAI) for two years. He is presently the Chairman of the FICCI Council on Telecom, Electronics and Digital Economy. He was also the Managing Director of the Company before its merger with Vodafone India.

During the year under review, Mr. Thomas Reisten and Mr. Vivek Badrinath (representing Vodafone Group) resigned from the Board of the Company with effect from 24th February 2021. The Board places on record its sincere appreciation for the valuable guidance and contribution made by Mr. Thomas Reisten and Mr. Vivek Badrinath in the deliberations of the Board during their tenure as Director(s).

The Board based on the recommendation of the Nomination & Remuneration Committee appointed Mr. Sunil Sood and Mr. Diego Massidda as Additional Directors (Non-Executive and Non-Independent), representing Vodafone Group effective 24th February, 2021 and will hold office till the date of the ensuing Annual General Meeting (AGM). The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013, proposing the appointment of Mr. Sunil Sood and Mr. Diego Massidda as Director(s) at the AGM. Accordingly, the Board recommends their appointment.

Further, the Board based on the recommendation of Nomination and Remuneration Committee, had appointed Mr. Sushil Agarwal, (representing Aditya Birla Group), as an Additional Director (Non-Executive and Non-Independent)

with effect from 4th August, 2021 and will hold office till the date of the ensuing Annual General Meeting (AGM). The Company has received requisite notice from a member under section 160 of the Companies Act, 2013, proposing the appointment of Mr. Sushil Agarwal as a Director at the AGM. Accordingly, the Board recommends his appointment.

In accordance with the provisions of the Companies Act, 2013, Mr. Himanshu Kapania is liable to retire from office by rotation, and being eligible, have offered himself for re-appointment at the ensuing Annual General Meeting of the Company.

Mr. Arun Adhikari (DIN: 00591057) and Mr. Ashwani Windlass (DIN: 00042686) will complete their term of 3 years on August 31, 2021 and have given their consent for re-appointment for a second term of 3 years. Further, Ms. Neena Gupta (DIN: 02530640) will complete her term of 3 years on September 17, 2021 and have given her consent for re-appointment for a second term of 3 years.

Based on the recommendations of the Nomination and Remuneration Committee and being satisfied on the performance evaluation, considering the background and experience, the Board has subject to the approval of the shareholders, approved the re-appointment of Mr. Arun Adhikari and Mr. Ashwani Windlass for a further term of 3 years commencing from August 31, 2021 and Ms. Neena Gupta for a further term of 3 years commencing from September 17, 2021. Shareholders' approval by way of special resolutions for the above Independent Directors have been included in the Notice of the ensuing AGM.

All Independent Directors have submitted their declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity.

All Independent Directors of your Company have registered their name in the data bank maintained with the Indian Institute of Corporate Affairs, in terms of the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014.

A brief profile of the directors proposed to be appointed/re-appointed are annexed to the Notice convening Annual General Meeting forming part of this Annual Report.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. Ravinder Takkar, Managing Director & Chief Executive Officer, Mr. Akshaya Moondra, Chief Financial Officer and Mr. Pankaj Kapdeo, Company Secretary.

Board Evaluation and Familiarization Programme

The evaluation framework for assessing the performance of Directors of your Company comprises of contributions at the meetings, strategic perspectives or inputs regarding the growth or performance of your Company, among others. The evaluation parameters and the process have been explained in the Corporate Governance Report forming part of the Annual Report of the Company. The Nomination & Remuneration Committee have laid down the manner in which formal evaluation of the performance of the Board, its Committee and individual Directors has to be made. The Board has carried out the annual performance evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulations.

The details of programme for familiarization of Independent Directors of your Company is available on your Company's website www.vodafoneidea.com.

Remuneration Policy

The Company has a Remuneration Policy in place encompassing the appointment and remuneration philosophy of the Company. The Policy comprises of the various elements and terms of appointment. The Policy consists of various aspects in connection to Remuneration Program applicable for Directors, Key Managerial Personnel and Senior Management of the Company, Performance Goal Setting, Benefit & Perquisites, Compliance and other such elements.

The policy was formulated by the Nomination and Remuneration Committee in terms of Section 178(3) of the Companies Act 2013 and it also includes the criteria for determining qualifications, positive attributes, independence of a Director and other matters. A copy of the said policy is available on the website of the Company www.vodafoneidea.com.

Dividend Distribution Policy

The Board has in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formulated Dividend Distribution Policy. This policy will provide clarity to the stakeholders on the dividend distribution framework of the Company. The Policy sets out various internal and external factors which shall be considered by the Board in determining the dividend payout. The dividend distribution policy is attached as '**Annexure G**' to this report and is also available on the website of the Company www.vodafoneidea.com.

Board Meetings

During the year, ten meetings of the Board of Directors were held. The details of the meetings and the attendance of the Directors are provided in the Corporate Governance Report. Further, maximum interval between two meetings of the Board of the Directors has not exceeded 120 days.

Board Committees

Your Company has in place the Committee(s) as mandated under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are currently seven committees of the Board, namely:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders' Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee
6. Capital Raising Committee
7. Finance Committee

Details of the Committees along with their charter, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this report.

Contract and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with the related parties are detailed in the Note 56 of the Standalone Financial Statements were in ordinary course of business and at an arm's length basis.

The related party transaction which are considered material during the year is the existing arrangement with Indus Towers Limited (Indus), which provides Passive Infrastructure Services

and related operations and maintenance services to various telecom operators in India, including your Company. Pursuant to a Scheme of Amalgamation and Arrangement between Bharti Infratel Limited and Indus, which became effective from November 19, 2020, Indus has been amalgamated with Bharti Infratel Limited and the merged entity is now known as Indus Towers Limited. Post the sale of 11.15% stake in Indus by the Company on November 19, 2020, Indus ceased to be a joint venture of the Company and the merged entity which has been renamed as Indus is continuing as a related party, as the same is an Associate of an entity, to which the Company is a Joint Venture.

Indus is currently one of the world's largest independent passive infrastructure providers. Your Company had entered into a Master Service Agreement (MSA) with Indus in 2008 (which has been amended from time to time) for availing passive infrastructure services provided by them in certain service areas. The MSA requires individual tenancy service contracts to be executed for each passive infrastructure site, the terms of which vary depending on the location, type of site, number of existing tenants, etc. and contain lock in period for ensuring continuity. Such terms are similarly applicable to all other telecom providers having arrangement with Indus. The details of the material related party transaction with Indus for the Financial Year ended March 31, 2021 is provided in Form AOC-2, which is attached as '**Annexure C**' to this report.

None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Member's approval for material Related Party Transaction, as defined under the Listing Regulations shall be obtained at the ensuing Annual General Meeting.

All Related Party Transactions are placed before the Audit Committee/Board, as applicable, for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. The Company has implemented a Related Party Transaction Manual and Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The details of the transactions with Related Parties are provided in the accompanying financial statements as required under Ind AS 24.

The policy on Related Party Transactions is uploaded on the Company's website www.vodafoneidea.com.

Particulars of Loans, Guarantees and Investments

As your Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 relating to loans made, guarantees given or securities provided are not applicable to the Company. The details of such loans made and guarantees given are provided in the standalone financial statements. Also, Particulars of investments made by the Company are provided in the notes to standalone financial statements.

Vigil Mechanism – Speak up policy

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimization to those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism – Speak Up policy is available on your Company's website www.vodafoneidea.com.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are given to the extent applicable in **'Annexure D'** forming part of this report.

Particulars of Employees

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **'Annexure E'** to this report.

In accordance with the provisions of Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, forms part of this Report. However, in line with the provisions of Section 136(1) of the Act, the Report and Accounts as set out therein, are being sent to all Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the shs@vodafoneidea.com.

Statutory Auditors

The members of the Company had at its Annual General Meeting held on June 30, 2017, appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Firm Registration No. 101049W/E300004), as the Statutory Auditors of the Company for a period of five consecutive years, i.e. till the conclusion of Twenty Seventh Annual General Meeting of the Company to be held in the calendar year 2022, by members at every Annual General Meeting.

The requirement to ratify the appointment of the Auditors at every Annual General Meeting is done away with pursuant to the Companies (Amendment) Act 2017. Accordingly, no resolution is proposed for ratification of appointment of the Auditors.

The Statutory Auditors have however confirmed that they are not disqualified to continue as Auditors and are eligible to hold office as Auditors of your Company.

Auditors' Report and Notes to Financial Statements

The Board has duly reviewed the Statutory Auditors' Report on the Financial Statements including the emphasis of matter relating to the Company's financial condition as at March 31, 2021 and its debt and AGR obligations due for the next 12 months, which has impacted the Company's ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due, which along with its financial condition is resulting in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern. The report does not contain any qualification, disclaimer or adverse remarks.

Note 4 to the standalone financial statements covers the Emphasis of Matter issue and the Company's mitigation plan, the clarification of which is self-explanatory. However, the modification application as mentioned in Note 4 has been dismissed by the Hon'ble Supreme Court on July, 23, 2021. Subsequently, on August 10, 2021, the Company has filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application again. The Board believes that the Company's ability to continue as a going concern is dependent on its ability to raise additional funds as required, successful negotiations with lenders on continued support/additional funding, monetization of certain assets, outcome of the review petition filed with the Hon'ble Supreme Court and clarity of the next instalment amount, acceptance of its deferment request by DoT and generation of cash flow from operations that it needs

to settle/renew its liabilities/guarantees as they fall due. As of date, the Company has met all its debt obligations. Pending the outcome of the above matters, these financial statement have been prepared on a going concern basis.

As regards the comments under para i(a) and i(b) of Annexure 1 to the Independent Auditors' Report regarding updation of quantitative and situation details relating to certain fixed assets being relocated and physical verification of assets, it is to be noted that the Company has undertaken a large scale network integration activity as part of the network roadmap pursuant to the merger of erstwhile Vodafone with the Company. This has led to a delay in updation and the verification exercise. Further, this has been impacted due to COVID-19 vis-à-vis the verification programme scheduled by the Company in the usual circumstances. As of now, the Company is in the process of updating the quantitative and situation details of such assets and would continue with the verification exercise subject to lifting of COVID-19 lockdown in various service areas in a manner so as to ensure that the entire asset base is verified in the block of three years in line with the physical verification programme of the Company.

Reporting of Frauds by Auditors

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers and employees, the details of which would need to be mentioned in Board's Report.

Cost Audit and Cost Auditors

The Company is required to make and maintain cost records pursuant to Section 148 of the Companies Act 2013.

In terms of the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company on the recommendation of the Audit Committee appointed M/s. Sanjay Gupta & Associates, Cost Accountants, as the Cost Auditors, to conduct the Cost Audit of your Company for the Financial Year ended March 31, 2021, at a remuneration as specified in the notice convening the Annual General Meeting.

As required under the Act, the remuneration payable to the Cost Auditors is required to be ratified by the members. Accordingly, a resolution seeking members' ratification for the remuneration payable to the Cost Auditors for the Financial Year ended March 31, 2021 forms part of the Notice of the ensuing Annual General Meeting.

Secretarial Auditor

In terms of the provision of the Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Umesh Ved & Associates, Company Secretaries, Ahmedabad, as the Secretarial Auditor for conducting the Secretarial Audit of your Company for the Financial Year ended March 31, 2021. The report of the Secretarial Auditor is annexed to this report as '**Annexure F**'. The contents of the Secretarial Audit Report are self-explanatory and do not contain any qualification, reservation or adverse remark.

As per Regulation 24A of the Listing Regulations, material unlisted subsidiaries of a listed entity incorporated in India is required to annex a Secretarial Audit Report issued by a Company Secretary in practice. Due to networth of the Company being negative, You Broadband India Limited, Connect (India) Mobile Technologies Private Limited, Vodafone Idea Communication Systems Limited, Vodafone Idea Shared Services Limited and Vodafone Manpower Services Limited were material subsidiaries of the Company. In compliance with the requirement, the Secretarial Audit Report of material subsidiaries is attached as **Annexure F-1 to F-5** to the Annual Report.

Your Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India.

Annual Return

As provided under Section 92(3) and 134(3)(a) of the Act, read with Rule 12 of Chapter VII Rules of the Companies (Management and Administration) Amendment Rules, 2020, Annual Return in Form MGT-7 for Financial Year 2020-21 is uploaded on the website of the Company and can be accessed at www.vodafoneidea.com.

Sustainability Journey

Telecom sector provides connectivity to individuals & communities that fosters empowerment and inclusion. The near ubiquitous reach of the mobile makes it the most relevant channel for last mile outreach. The mobile phone has fast become the window to a world of information, better education, livelihood, employment, health, inputs on agricultural practices and governance.

Being a telecom company Vodafone Idea's corporate responsibility agenda is directed towards addressing some of India's critical social and developmental challenges in both rural and urban communities using the inherent potential and reach of the mobile technology and platform and reducing

the environmental impact with increasing preference and usage of digital. The technology platforms set up during the years under CSR initiatives helped in outreaching the people including students during the COVID-19 pandemic

Both promoter groups of the Company too are fully committed towards building sustainable businesses through a clearly crafted vision supported by relevant policies and frameworks.

At Vodafone Idea Limited, we understand the evolving dynamism in our operating environment. We try to Pre-empt uncertainty by plotting scenarios that allow us to understand the external risks to our business. We prioritize adaptability, agility and foresight to ensure that our business models, operations, acquisitions and projects are not locked into unsustainable paths. This was reflected during the COVID-19 pandemic when all our business activities continued and managed very efficiently and we successfully provided all necessary support to our customers.

We are fully committed towards creating value for all stakeholders: from customers to partners, to employees, to communities and to the larger planet. We achieve this through our passion for customer satisfaction, supporting our partners as they build capacity, engaging with and valuing our employees in an inclusive agenda to instill pride in the work we do and develop sustainable business practices. This is being done with our responsible support towards digital inclusion as a national goal, or in continuing with our practices of community development in areas like education & skilling, women empowerment, preventive healthcare, sanitation and agriculture.

We will continue to be future-ready by staying ahead of the curve and being charged up to thrive in a sustainable tomorrow by building sustainable businesses and propositions. The Company has a robust Sustainability Framework of Policies, Technical Standards, and Guidance Notes based not just on the local laws but also on leading International standards.

We are in the process of designing long term risk and Enterprise Risk Management framework for business sustainability. We have also identified associated risks linked to external factors for telecom business.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set-up to redress complaints received regarding

sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial Year 2020-21, 5 complaints pertaining to sexual harassment were received and as on March 31, 2021, 3 have been resolved and remaining two complaints are under investigation.

Other Disclosures

- There are no material changes and commitments affecting the financial position of your Company between end of financial year and the date of report, other than those disclosed in the significant developments section of the Board's Report.
- Your Company has not issued any shares with differential voting rights.
- There was no revision in the financial statements.
- Your Company has not issued any sweat equity shares.
- There has been no change in the nature of business of your Company.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations, other than the order passed by the Hon'ble Supreme Court on the AGR matter, which has been disclosed in the significant developments section of the Board's report.

Acknowledgement

Your Directors place on record their sincere appreciation to the Department of Telecommunications, Telecom Regulatory Authority of India, the Central Government, the State Governments, all its investors & stakeholders, bankers, technology providers, equipment suppliers, value added service partners, all the business associates and above all our subscribers for the co-operation and support extended to the Company. Your Directors also wish to place on record their deep appreciation to the employees for their hard work, dedication and commitment. The perseverance and unstinting efforts of the employees has enabled the Company to retain the 'Fastest Growing Indian Telecom Brand' within the sector.

For and on behalf of the Board

Himanshu Kapania
Chairman
(DIN : 03387441)
Place: Mumbai

Ravinder Takkar
Managing Director &
Chief Executive Officer
(DIN : 01719511)
Place: Gurugram

Date: August 14, 2021

ANNEXURE 'A'

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No.	Particulars	Name of Subsidiary																			
		Vodafone Idea Manpower Services Limited (formerly Idea Cellular Services Limited)	Connect (India) Mobile Technologies Private Limited ¹	Vodafone Communication Systems Limited (Formerly known as Mobile Commerce Solutions Limited)	Vodafone Idea Business Services Limited (Formerly known as Vodafone Business Services Limited)	Vodafone Foundation	Idea Shared Services Limited (Formerly known as Vodafone India Ventures Limited)	Vodafone m-pesa Limited	Idea Telecom Infrastructure Limited (Formerly known as Vodafone Towers Limited)	Vodafone Idea Technology Solutions Limited (Formerly known as Vodafone Technology Solutions Limited)	You Broadband India Limited ²	INR	INR	INR	INR	INR	INR	INR	INR	INR	
1	The date since when subsidiary was acquired	October 3, 2007	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	
2	Reporting period	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	April 1, 2020 - March 31, 2021	
3	Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
4	Equity Share Capital	1	1,499	4,053	1	-*	20	2,371	18	5	750										
5	Other Equity	12	(1,259)	(2,118)	(2,488)	(2)	106	(3,270)	(4,505)	(103)	(729)										
6	Total Assets	122	244	1,992	6,323	585	1,596	225	49,204	77	2,796										
7	Total Liabilities	110	4	58	8,810	587	1,470	1,124	53,691	175	2,776										
8	Investments other than investments in Subsidiary	-	-	-	-	-	-	-	-	-	-										
9	Turnover (Total Revenue)	702	7	329	1,609	421	1,426	27	6,091	57	1,849										
10	Profit/(Loss) before Taxation	5	2	201	144	2	58	25	(2,377)	(4)	(5)										
11	Provision for Taxation	2	2	3	-	-	(5)	-	-	-	3										
12	Profit/(Loss) after Taxation	3	-*	197	144	2	63	25	(2,377)	(4)	(8)										
13	Other Comprehensive Income/(Loss)	5	-	-	-	-	7	-	-	-	(1)										
14	Total Comprehensive Income/(Loss)	8	-*	197	144	2	70	25	(2,377)	(4)	(9)										
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-										
16	% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%										

Notes:

1. Connect (India) Mobile Technologies Private Limited is a wholly owned subsidiary of Vodafone Idea Communication Systems Limited (Formerly known as Mobile Commerce Solutions Limited)

2. You System Integration Private Limited has been merged with You Broadband India Limited on March 15, 2021 with an appointed date of April 1, 2020.

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

Part "B": Associates and Joint Ventures

₹ Mn

Sr. No.	Particulars	Associate	Joint Ventures	
		Aditya Birla Idea Payments Bank Limited [@]	Indus Towers Limited [^]	Firefly Networks Limited
1	Last Audited Balance Sheet Date	March 31, 2019	November 18, 2020	March 31, 2021
2	Date on which the Associate or Joint Venture was associated or acquired	February 19, 2016	December 8, 2007	August 31, 2018
	Number of Shares held by the Company as on March 31, 2021	-	-	1,000,000
	Amount of Investment in Joint Venture/Associate [#]	-	-	10
	Extent of holding %	49.00%	-	50.00%
3	Description of how there is a significant influence	Refer Note 2 below	-	-
4	Reason why the Joint Venture is not consolidated	N.A.	N.A.	N.A.
5	Net worth attributable to Shareholding as per latest audited Balance Sheet*	-	-	-
6	Profit / (Loss) for the year			
	i. Considered in Consolidation	-	2,300	14
	ii. Not Considered in Consolidation	-	-	-
7	Other Comprehensive Income/(Loss) for the year			
	i. Considered in Consolidation	-	(2)	-
	ii. Not Considered in Consolidation	-	-	-
8	Total Comprehensive Income/(Loss) for the year			
	i. Considered in Consolidation	-	2,298	14
	ii. Not Considered in Consolidation	-	-	-

Notes:

- There were no joint ventures liquidated during the Financial Year 2020-21.
- Significant influence by virtue of having directors on the board of Aditya Birla Idea Payments Bank Limited.
- [^] The Company has sold its stake in Indus on November 19, 2020
- [#] Amount of investment in joint ventures/associate is based on the carrying value of investments in the standalone financial statements of the Company.
- ^{*} Represent networth attributable to the Company
- [@] Aditya Birla Idea Payments Bank Limited (ABIPBL), had decided to wind up business voluntarily (voluntary winding up) on July 19, 2019 subject to requisite regulatory approvals and consent. The Company is currently under liquidation. Accordingly, the Company had made a provision for impairment of the entire amount of investments in ABIPBL of ₹ 2,788 Mn and additional amount of ₹ 98 Mn contributed in proportion to shareholding during the previous year towards liquidation expenses under exceptional items.

For and on behalf of the Board of Directors of **Vodafone Idea Limited****Himanshu Kapania**Director
DIN : 03387441
Place: Mumbai**Akshaya Moondra**Chief Financial Officer
Place: Mumbai**Ravinder Takkar**Managing Director & Chief Executive Officer
DIN : 01719511
Place: Gurugram**Pankaj Kapdeo**Company Secretary
Place: Mumbai

Place: June 30, 2021

ANNEXURE 'B'

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

To actively contribute to the social and economic development of the communities by leveraging technology and purposeful innovation to catalyse social prosperity, digital literacy and inclusivity. The focus areas of intervention are - Education, Agriculture, Health, Livelihood and Women Empowerment. The CSR policy can be accessed on the Company's website: <https://www.vodafoneidea.com/investors/corporate-governance>.

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Ms. Neena Gupta	Chairperson, Independent Director	3	3
2	Mr. Arun Adhikari	Member, Independent Director	3	3
3	Mr. Krishnan Ramachandran	Member, Independent Director	3	3
4	Mr. Ravinder Takkar	Member, Managing Director & Chief Executive Officer	3	3

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

Composition of the CSR Committee, CSR Policy is available on the Company's website on <https://www.vodafoneidea.com/investors/corporate-governance>.

4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (In ₹)	Amount required to be set-off for the financial year, if any (In ₹)
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None

6. Average net profit of the Company as per Section 135(5) :

Not Applicable, as the average net profits for last three financial years is negative.

7. (a) Two percent of average net profit of the Company as per section 135(5) :

No obligation for Financial Year 2020-21. However, Ministry of Corporate Affairs (MCA) has directed the Company to spend the unspent CSR obligation aggregating to ₹ 727.20 Mn for Financial Years 2015-16 and 2016-17 in 8 quarterly instalments of ₹ 90.90 Mn each, commencing from April-June 2019. In the Financial Year 2020-21, the Company has spent ₹ 316.82 Mn. Additionally, MCA had also accepted our submission that spending, and its reporting thereof, would be staggered by a quarter due to nature of our programmes and current operating conditions.

Additionally, MCA has directed the Company to spend the unspent CSR obligation of ₹ 228.20 Mn for Financial Year 2017-18 in 8 equal instalments over 8 quarters, commencing from April 2021.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Not Applicable

(c) Amount required to be set off for the financial year, if any : Not Applicable

(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 272.70 Mn

8. (a) CSR amount spent or unspent for the financial year : ₹ 316.82 Mn

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 316.82 Mn.	Not Applicable		Not Applicable		

b) Details of CSR amount spent against ongoing projects for the financial year (current):

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹ Mn)	Amount spent in the current Financial Year (in ₹ Mn.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Mn.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Jigyasa - Building knowledge for life	Promoting education	Yes	1. Uttarakhand	Tehri Pauri Almora Udham Singh-Nagar Haridwar Nainital and Chamoli	Two years	54.10	34.88	-	No	Vodafone Foundation	CSR00 007012
				2. Uttar Pradesh	Barabanki Lucknow Sitapur Unnao Hardoi and Lakhimpur-Kheri							
				3. Madhya Pradesh	Bhopal Raisen and Chhindwara							
				4. Rajasthan	Sikar							
				5. Chhattisgarh	Durg and Raipur							

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹ Mn)	Amount spent in the current Financial Year (in ₹ Mn.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Mn.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
2	Health Entrepreneurs – Diagnostic Tests	Preventive Healthcare	Yes	1. Bihar 2. Chhattisgarh 3. Uttarakhand 4. Telangana	Sitamarhi Rajnandgaon Haridwar Hyderabad	Two years	31.00	0.10	-	No	Vodafone Foundation	CSR00007012
3	Financial literacy - Jaadu Ginni Ka	Promoting financial literacy, empowerment and equality	Yes	Vans are operational in: 1. Uttar Pradesh 2. Maharashtra 3. Rajasthan 4. Karnataka 5. Odisha 6. Bihar 7. Gujarat	Jaunpur Pune Rajsamand Raichur Jagatsinghpur Nalanda Kheda	Two years	21.00	20.00	-	No	Vodafone Foundation	CSR00007012
4	Connecting for Good		Yes	Online programme, Pan India		Two years	12.00	0.00	-	No	Vodafone Foundation	CSR00007012
5	Vi Scholarships	Promoting education	Yes	Online scholarship programme, Pan India		Two years	36.00	0.00	-	No	Vodafone Foundation	CSR00007012
6	Digital Village: Empowering Communities – RSV	Eradication of poverty, Gender equity and empowerment	Yes	1. Gujarat 2. Madhya Pradesh 3. Uttar Pradesh 4. Rajasthan	Ahmedabad Sabarkantha Surendernagar Gandhinagar Kutch Mehasana Patan and Anand Dhar Ujjain and Dewas Lucknow Firozabad Barabanki and Raebareli Dungarpur Udaipur and Banswara	Two years	30.00	20.00	-	No	Vodafone Foundation	CSR00007012
Total							184.10	74.98*				

* Total expenditure during the current year is ₹ 316.82 Mn out of which ₹ 74.98 Mn spent for project initiated in the current year (ref 8 b) and ₹ 240.70 Mn spent during the current year for ongoing project of previous year (ref 9 b).

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (In ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR Registration Number
TOTAL:						NIL			

d) Amount spent in Administrative Overheads : ₹ 1.14 Mn

e) Amount spent on Impact Assessment, if applicable :

f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 74.98 Mn

g) Excess amount for set off, if any :

Sl. No.	Particulars	Amount (In ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	Not Applicable, as the average net profits for last three financial years is negative.
(ii)	Total amount spent for the Financial Year	₹ 316.82 Mn
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (In ₹)	Amount spent in the reporting Financial Year (In ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (In ₹)
				Name of the Fund	Amount (In ₹)	Date of Transfer	
1	-	NA	-	-	NA	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding Financial Year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total Amount allocated for the project (In ₹ Mn)	Amount spent on the project in the reporting Financial Year (In ₹ Mn)	Cumulative amount spent at the end of reporting Financial Year (In ₹ Mn)	Status of the project - Completed/ Ongoing
1.		Digital Village	2019-20	Two Years	50.00	8.00	50.00	Completed
2.		Smart Agri	2019-20	Two Years	253.00	112.30	219.20	Ongoing
3.		Jigyasa - Building knowledge for life	2019-20	Two Years	120.90	32.50	120.90	Completed

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total Amount allocated for the project (In ₹ Mn)	Amount spent on the project in the reporting Financial Year (In ₹ Mn)	Cumulative amount spent at the end of reporting Financial Year (In ₹ Mn)	Status of the project – Completed/ Ongoing
4.		Health Entrepreneurs – Diagnostic Tests	2019-20	Two Years	27.90	7.90	27.90	Completed
5.		Connecting for Good	2019-20	Two Years	30.00	10.00	30.00	Completed
6.		Vi Scholarships	2019-20	Two Years	70.00	70.00	70.00	Completed
Total					551.80	240.70	518.00	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details):

- (a) **Date of creation or acquisition of the capital asset(s)** : None
- (b) **Amount of CSR spent for creation or acquisition of capital asset** : Nil
- (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.** : Not Applicable
- (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)** : Not Applicable
11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5)** : Not Applicable. The average net profits calculated for last three Financial Years is negative for the Financial Year 2020-21. However, on the directive of the Ministry of Corporate Affairs with respect to spend the unspent obligation of Financial Years 2015-16 and 2016-17, the Company has spent ₹ 316.82 Mn towards CSR activities during Financial Year 2020-21. The Company's CSR initiatives continued during the difficult pandemic year and applied its technology strength and positively impacted the lives of around 2.84 Mn people across 17 States through multiple initiatives undertaken in the domains of education, financial literacy, empowerment of women, healthcare, environment, agriculture & livelihood and eradication of poverty. **A summary of the programs and their impact is attached as Annexure A**

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

Ravinder Takkar
Managing Director &
Chief Executive Officer
Place : Gurugram

Neena Gupta
Chairperson – Corporate Social
Responsibility Committee
Place : Gurugram

Date: May 31, 2021

ANNEXURE A

Vodafone Idea CSR programs and their Impact

1. Jigyasa

Vodafone Idea Foundation's flagship programme in education – Jigyasa – aims to build knowledge for life and addresses some of the most pressing concerns faced by education sector in India by building the capacity of teachers, introducing digital content in the classroom to make learning and teaching more enjoyable, and also augment the existing digital infrastructure as needed.

The programme also addresses a fundamental issue in education ecosystem – discovering scholarships, for which, we have developed a scholarship discovery and assistance Platform www.learningwithvodafone.in.

The project has positively impacted thousands of teachers and students across five states in North India. As digital teaching increased due to COVID-19 and lockdowns, teachers needed to learn digital tools and skills and create impactful and creative content. Jigyasa training and exposure to digital platforms such as Gurushala bridged that gap and increased learning outcomes.

The project has benefitted around 3 lakh students and 12,000 teachers across 2,200 schools. More than 6.64 lakh students have registered on scholarship portal and more than 25,000 students have received a scholarship through our efforts.

As part of KPMG's Impact Assessment of Jigyasa, a numeracy test (essential addition, subtraction, multiplication etc.) was conducted amongst our student beneficiaries. It was found that **more than 97% of students scored well in the numeracy test. This figure is two to four times higher than findings from the Annual State of Education Report 2018 across various classes.**

2. Health Entrepreneurs – Diagnostic Tests

Building on the learnings from the project of past years, this year the project aims to screen school children for Anaemia and build Community Health Entrepreneurs (CHE).

This project has conducted diagnostic test for anaemia of 3 lakh students. It has also raised awareness among the people about the significance of diagnostic tests in general and on critical parameters of anaemia in particular.

3. Jaadu Ginni Ka

Using the power of mobile technology, Vodafone Foundations' flagship programme on financial literacy - Jaadu Ginni Ka, aims to create awareness amongst youth, urban poor, farmers, artisans, rural women, micro-entrepreneurs, students (15 years and above) on the basic tenets of financial planning/management and on several government schemes. To make the people aware with the basic aspects of day to day financial things and seven customized vans in association with CSC academy were started under its Gali-Gali Gaon-Gaon component.

Jaadu Ginni Ka has resulted in beneficiaries making informed choices and more prudent financial behaviour. Some key findings from the impact assessment conducted by NABCONs are as follows:

- 99.04% of people have found the knowledge shared by the JGK trainers to be useful;
- 99% of the beneficiaries indicated that they were able to manage their finances by regularly saving from their income efficiently; and
- Post-training, there is an increase of 29% in the number of people managing their savings by depositing in saving account of a bank or post office.

4. Connecting for Good

Vodafone Idea Foundation's Connecting for Good programme aims to foster an ecosystem for promoting use of technology in addressing social challenges and empower NGOs to drive innovation, disseminate knowledge and upscale their interventions for greater impact through two distinct areas:

Social App Hub and Solution for Good.

- **Social App Hub**, is a crowdsourcing platform, curating mobile solutions with social impact. Social App Hub features over 800 apps and offers a plethora of knowledge.
- **Solution for Good** focuses on building innovative technology solutions that addresses the social challenges and have large scale replicability.

The project continues to help civil society organizations increase the impact of their work as they leverage technology innovatively. **Cumulatively our solutions have received more than 1.2 lakh downloads and are being used extensively by these organizations and socially conscious users.** Social App Hub, India's leading knowledge-sharing platform for the development sector, has increased user engagement on social media.

5. Vi Scholarships

Vodafone Idea Scholarships aims to provide financial support to deserving students and acknowledge outstanding teachers for their academic endeavours.

Under the initiative, deserving students and outstanding teachers are recognised.

The **project has supported 200 outstanding teachers and 2,500 deserving students and helped them continue their education path.** Both students and teachers have used the scholarship to procure digital devices, access content, and purchase books and publications.

After highly successful scholarship programme in 2020, **Vi Scholarships 2021 has been launched to support deserving students and acknowledge outstanding teachers.**

6. Digital Village – Empowering Communities - Rudi Sandesha Vyavhar (RSV)

The project aims to create food supply chain system using mobile technology to help the rural sales women and enhance their livelihood through technology integration in 4 states Gujarat, Uttar Pradesh, Madhya Pradesh and Rajasthan.

Through this project micro entrepreneurs were developed to support rural women in setting up local supply chain system right from procurement of raw produce to finishing and selling of these products by local rural women.

The project was designed in 2 phases. In the first phase, 4,700 Self Help Group (SHG) rural women were trained on the use of RSV mobile application to sell agro food products and setting up food supply chain system in Gujarat and Rajasthan.

In the second phase, more districts were added in Rajasthan and the project was also extended to Madhya Pradesh and Uttar Pradesh covering 1,500 more SHG rural women.

The project has positively impacted digital literacy, economic empowerment, and women's empowerment for RUDIbens. It has also influenced the lives of women working in the processing centres, the customers, the farmers and the family members of the RUDIbens.

In total, 6,200 rural women are directly benefitted under the project. They have been trained on setting up processing centres, use of RSV mobile application to sell agro food products and managing end to end activities.

72% of beneficiaries have reported enhancing their business skills, such as enhancing the number of customers and sales through faster order and delivery improvement in their personality development, communication skills, and confidence. 85% of beneficiaries reported an increase in their income; 42% have incomes in the range of ₹ 5,001-10,000 per month, 10% in the range of ₹ 10,001 to 25,000.

7. Smart Agri

Through the Smart Agri project, **55,000+ farmers from Madhya Pradesh and Maharashtra are being provided realtime information (farm advisory) related to weather, soil moisture, pest etc. for timely farm inputs.**

The realtime information are being collected through IOT based solutions like automated weather station, sensors, crop view camera and insect trap. These information are being analysed by the agri experts and converted into farm advisories. Farmers are being provided regular training and handhold support to apply correct and timely farm inputs.

The project, in a short period, has shown positive impacts. With access to real-time information related to weather, soil moisture, pests, right agricultural inputs, etc., the project has demonstrated initial impacts on the increase in yield and reduction in input cost. There has been an **increase in yield for both crops** – Cotton and Soya. **Cotton (around 8-12%)** project farmers have reported an increase in yield from 13.41 quintals per hectare to 14.50 quintals per hectare for non-organic farmers. Project farmers practising organic farming have reported a 28% increase in yield from the previous year, from 9 quintals/hectare to 11.5 quintals/hectares. **Soyabean (around 34.5%)** project farmers have realized a yield of 10.92 quintals per hectare compared to the non-project farmers who have realized the average yield of 8.12 quintals per hectare.

Similarly, there has been a **reduction in input cost for both crops**. For **Cotton (around 10 to 12%)**, the cost of cultivation has been reduced by 5,370 per hectare (10-12%). The average price of production of plots treated under the project was ₹ 48,320/hectare, and the cost of production of non-project plots was ₹ 53,690/hectare. Similarly, for **Soyabean (around 14.5 to 20%)**, cost of cultivation has been reduced by ₹ 3,745 per hectare (14.5%). The average cost of production of plots treated under the project was ₹ 23,596/hectare, and the cost of production of non-project plots was ₹ 27,582/hectare.

ANNEXURE 'C' to the Directors' Report

Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto for Financial Year 2020-21:

1. Details of contracts or arrangements or transactions not at arm's length basis: None
2. Details of material contracts or arrangement or transactions at arm's length basis:

	Particulars	Information
(a)	Name(s) of the related party and nature of relationship	Indus Towers Limited (Indus)* Joint Venture upto November 18, 2020. Associate Company post-merger of Indus with Bharti Infratel Limited w.e.f. November 19, 2020.
(b)	Nature of contracts/ arrangements/ transactions	Master Service Agreement (MSA) for Passive Infrastructure services and related Operations & Maintenance services.
(c)	Duration of the contracts/ arrangements/ transactions	The maximum term of each tenancy service contract executed for each passive infrastructure site under the MSA is 7 to 10 years or more year, with either party having a right to terminate, subject to certain conditions.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Passive Infrastructure services are provided by Indus mainly on co-sharing basis for each Passive Infrastructure site, after obtaining necessary approvals, which enables the Company to deploy active equipment on sites for providing telecom services. The aggregate value of the transaction for Financial Year 2020-21, towards availment of services from Indus is ₹ 81,967 Mn (out of which ₹ 51,441 Mn pertains for the period April 1, 2020 till November 18, 2020 & ₹ 30,526 Mn pertains for the period November 19, 2020 till March 31, 2021).
(e)	Date(s) of approval by the Board, if any; and Audit Committee	Audit Committee : June 29, 2021 Board Meeting : June 30, 2021
(f)	Amount paid as advances, if any	Nil

*Effective from November 19, 2020 Indus Towers Limited ("Indus") merged with Bharti Infratel Limited. The merged entity is hereafter named as Indus Towers Limited ("Indus").

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

Himanshu Kapania
Director
(DIN : 03387441)
Place: Mumbai

Ravinder Takkar
Managing Director & Chief Executive Officer
(DIN : 01719511)
Place: Gurugram

Akshaya Moondra
Chief Financial Officer
Place: Mumbai

Pankaj Kapdeo
Company Secretary
Place: Mumbai

Date: June 30, 2021

ANNEXURE 'D'

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

Indian telecom industry has been able to penetrate well across the country, where even the grid has not been able to reach in more than half a century. As per license conditions, a telecom operator needs to maintain network availability higher than 99.5%. Assured power 24x7 supply ranging from the load of 15 KW each is, therefore, a pre-requisite for any telecom tower site. One of the biggest challenges being faced now is power deficiency in most of the areas along with lack of power infra, considering the focus of the telecom sector on rural penetration. While expanding the network infrastructure exponentially across the geography of India, Vodafone Idea Limited ("VIL" or "Company") maintained the need for increasing energy efficiency and reducing energy consumption.

Accordingly, cost-effective energy-efficiency initiatives were continued across all spectrum of network expansion in the last Financial Year. This includes, more emphasis on infrastructure-sharing, deployment of high efficient network hardware, replacement of high consuming hardware with more efficient telecom hardware, increasing the energy efficiency of existing installations etc. The Company has recently also instituted an Energy and Carbon Management Policy.

(a) Steps taken or impact on conservation of energy:

During the year under review, several steps were taken for conservation of energy, some of which are listed below:

Networks

On the Network front, the Company continued to adopt environmentally sustainable practices in their transactions with the same foundational objectives laid down as part of Company's Energy and Carbon Management Policy.

- Consider Energy performance when operating VIL's infrastructure
- Continue with the procurement of most energy efficient Telecom Hardware
- Encourage Infrastructure Provider partners to adopt low carbon operations

The initiatives undertaken are as below:

- Over 75% of VIL BTS portfolio - Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS);
- Over 55,000 sites from IP Partners are green sites;
- Diesel elimination project initiated by VIL to reduce carbon footprint currently implemented at over 16,000 sites resulting in reduction in Diesel consumption by 6 Mn Litres in Financial Year 2020-21;
- 100% of the telecom hardware procured by the Company is low power consuming telecom hardware;
- New Sites Deployment on Sharing Basis: >95% of the sites deployed were at existing 2G sites and/or shared sites as part of the mandated initiative to reduce carbon emissions and energy consumption;
- The Company continued active equipment energy saving initiatives like power saving features during low traffic period. All new packet-core deployments as well as new MSS/VoLTE circuit-core deployments use cloud architecture; and
- RET – solar based generation at over 3,000 tower co-owned sites.

Green IT

Apart from Network operations, the Company has also made conscious efforts to make its IT operations greener and more efficient. This has been made possible by adopting sustainable practices and new technologies as listed below:

- Cloud Computing & Virtualization: The Company has set-up multiple, inter-connected, high capacity servers to provide a huge resource pool and centralized management through Cloud computing enabling the delivery of IaaS (Infrastructure as a Service). This Cloud computing initiative has resulted in reduction of hardware footprint & energy consumption as well as optimal utilization of resources;
- Moving to MPS (Managed Print Services): The Company has initiated the process of deploying managed print services for the working environment;
- Electronic Billing: The Company constantly attempts to reduce the usage of paper, resulting in physical copies of

bills and receipts. This is done through the deployment of best-in-class digital assets and user-friendly payment options. VIL promotes electronic billing to the customers and create awareness on its impact on environment;

- Video Conferencing: To reduce GHG (Green House Gases) emissions, the Company actively promotes the use of Video Conferencing (VC) as an alternative to travelling for meetings both inter and intra-city, especially for internal purposes;
- Night-watchman: A script was deployed at SCCM level, which checked for Powered ON & will shut down machines during off business hours; and
- Power saving features implemented to reduce energy consumption.

Data Centre

Your Company has 2 National Data Centres; one located at Airoli, Mumbai and the other at Hinjewadi, Pune. Both data centers are well under the “Efficient” category on Standard Parameter of PUE (Power Usage Effectiveness). The Company measures Data Centre Energy efficiency on an ongoing basis and the Average PUE is 1.60 for Airoli and 1.80 for Hinjewadi (which falls under the “Efficient” Category). The following measures are being undertaken to reduce energy use and/or save energy and related emissions in your Data Centre:

- Water based Air cooled chillers have been used in the Hinjewadi and water cooled chillers Airoli Data Centre to reduce energy consumption;
- Hot & Cold Aisle concept for better air circulation in Data Centre - Usage of Pro-curtain for separation of cold aisle and hot aisle for better cooling. Cold aisle containment implemented to increase HVAC efficiency, saving on energy consumption and to reduce related emissions;
- Active Floor based cooling system - directing the cool air to the area where it is required rather than flooding the entire Area;
- False Flooring & False Ceiling void for better cooling;
- Different Temperature zones to reduce air loss;
- Thermal Insulation along the flooring/ceiling to reduce heat dissipation including Utility (UPS, Transformer, Battery, Panel) Rooms;
- Usage of Blanking panel in empty space of server Racks to reduce short cycling of cold air and hence for improved HVAC efficiency;

- At Hinjewadi, we are using APFC to improve Power Factor in electrical distribution system and to reduce the energy consumption & Harmonics. At Airoli, design accommodates various load balancing to achieve unity PF;
- Usage of PAC (Precision Air Conditioner) - Non DX units (without compressor and HVAC gases);
- Variable Frequency Drives (VFDs) have been installed in the Data Center’s HVAC systems to automatically reduce the speed and power consumption of motors when there is lower system load including chilled water pump motors and cooling tower fan motors;
- Based on power audits and an extensive study of energy usage, various initiatives have been undertaken over the years to optimize the usage of electricity, such as:
 - Identification and rectification of hot spots; and
 - Optimization of lighting and AC Usage (By utilizing LED and occupancy sensor).
- DAPC (Digital Active Power Conditioning) has been installed for Harmonic Distortion to avoid Power Losses, Protection of non-linear load and to improve Power Quality;
- During Winter Season Chiller Optimization obtained by operating 3 Circuits of 2 Chillers in the night. By practicing this the Data Centre has achieved 140 KWH savings per hour while maintaining the desired DC Temperature. Other advanced chilled water optimization routines are a part of the Airoli chilled water system;
- In PAC (Precision Air Conditioner), Blower Fan operates as per the Set Point Temp. Blower Fan’s Maximum Rated Load is 3.2 KW on 100% Fan speed. It is running Blower Fan at 70% Speed which consume 1.6 KW without affecting the Cooling Requirement of the Data Centre;
- Due to Efficient Running of Chillers and PAC’s we are able to manage the chilled water flow by operating Single Pump System at Hinjewadi;
- At Hinjewadi, VRV (Variable Refrigerant Volume) System are installed in office areas for office cooling. Apart from Workstation Area, the VRV System operates on need basis in Meeting Rooms & Cabins. Also on weekends VRV System operates on need basis only in areas where the actual staff is present;
- Implemented LED lighting system in DC and most of the office floors and also office area lighting is scheduled and on need basis in areas where the actual staff is present after the office hours. By practicing this VIL is achieving

power saving without compromising lux level in required office areas;

- Reduction in frequency of Daily DG Test Run, which has resulted in saving of fuel & DG running hours without compromising the reliability/Availability of Data Centre backup power;
- Carrying all the planned preventive maintenance activities of the Utility systems like HT Panels, Transformers during the scheduled MSEB Power shutdown, which has resulted in reducing the DG running hours/Fuel Consumption; and
- Hinjewadi DC is planned to be shut down in Financial Year 2021-22 by migrating applications to Airoli DC.

Facilities

- Your Company is working to reduce its Carbon footprint by adoption of newer technologies and changing the consumption mix to include more renewable energy generators. The Company's new Projects are conceptualized giving high priority to the energy efficient design. The Company operates with lux levels below 300 and keeps a good mix of natural and artificial illumination for conserving energy.
- Your Company's office facilities have lighter surface colours and patterns, which absorb less and contribute to better lighting. The Company uses a combination of energy efficient CFL and LED lighting for illumination at our facilities. However new projects have all LED fittings.
- In Air-conditioning space, your Company uses star rated BEE (Bureau of Energy Efficiency) certified air conditioners in our facilities. The Company also uses VRV systems apart from the energy efficient chillier plants in your facilities.
- The Company's Energy Management includes regular monitoring of energy consumption of different types of loads on a daily basis and helps the Company to take corrective measures on an immediate basis. The Company's average square feet consumptions have reduced over a period and match the benchmarks for office space.
- Some of the other measures in the Company's office premises include:
 - Usage of Electronic ballasts instead of Copper ballasts for improved efficiency and reduction in energy consumption and emissions;
 - Usage of logic controlling for emergency lights, which automatically is set on during power failure;

- VRV and inverter based Air conditioning is being used in office area instead of a centralized system;
- Switching off all non-critical loads (office AC, lights, unused meeting rooms/cabins etc.) after working hours; and
- Switching off all FACADE lights near to outer glass of premises.
- Your Company is replacing existing CFL based lighting fixtures to LED based fixtures on OPEX model for older facilities to achieve 100% conversion to lesser consumption loads.
- All new facilities are being designed to conform to LEED certification standards. This will ensure lesser energy and water consumption per sq. ft. basis and also reduce the Company's carbon footprint.

(b) Steps taken by the Company for utilizing alternate sources of energy:

The following initiatives have been undertaken by the Company in the previous years, to utilize alternate sources of energy, and the same installations continued to be service in Financial Year 2020-21 also.

Off-Site Renewable Energy (RE) Deployment: This concept was also initiated in Financial Year 2014-15 based on Carbon abatement principle. In Financial Year 2020-21:

- 6 MW Solar PPA in Andhra Pradesh – 2.335 Mn Solar Units generated;
- 1 MW Solar PPA in Madhya Pradesh – 1.5 Mn Solar Units generated;
- 2 MW Wind PPA in Karnataka – 6.5 Mn kWh generated;
- Tamil Nadu (including Chennai) –
 - o We are one of the parties utilizing the 8.6 MW Wind PPA and 2.75 MW Solar PPA – generating 3.84 Mn. kWh.
 - o In addition there is dedicated 0.6 MW Wind PPA – generating 0.8 Mn. kWh.
 - o Moreover there is a dedicated 5.3 MW Solar PPA generating 7.3 Mn. kWh.
- 2.5 MW and 2.07 MW Solar/Wind PPAs in Maharashtra Circle has been implemented; and
- In addition we also have 2 hydro PPA of 0.5 and 0.6 MW hydro for Delhi.

(c) The capital investment on energy conservation equipment:

The capital investment on energy conservation equipment was not material during the Financial Year ended March 31, 2021.

B. TECHNOLOGY ABSORPTION

a) Efforts made towards technology absorption

The Company owns and operates its telecom network adaptation and innovation using its own resources. The focus of your Company is to enhance its 3G and 4G data broadband connectivity across the country. The Indian market has been experiencing explosive growth in mobile broadband services, fuelled by affordable smartphone devices and a plethora of applications that are influencing social lifestyles. This is driving a continuous requirement for additional capacity and spectrum, in order to provide a best-in class user experience to subscribers. Unprecedented loading of the network with scarce spectrum, limited infrastructure, and right-of-way challenges for fibre layout has caused the Company to seek non-traditional ways for densification and optimisation of its networks. The Company has embraced new technologies to overcome these challenges.

The Company has been able to offer seamless connectivity solutions to our customers through the deployment of Wi-Fi and Small Cell technologies at strategic locations, leading to an improved data experience for our customers.

As part of our operating model, the Company has also partnered with some of the leading Technology companies of the world which helps in implementing new technologies to manage our operations.

b) Benefits derived like product improvement, cost reduction, product development or import substitution

The cost of implementation of operations network is most optimal due to in-house handling of planning and

designing. The speed to market was much better in terms of rural rollout and rollout of 3G and 4G sites due to strong in-house competency.

The Company owns and operates its telecom network Adaptation and Innovation using its own resources. Structured internal trainings are imparted to the team of engineers for their skill development and grooming.

With the help of latest technology, we have transformed our network in an environment-friendly manner by deploying 'green' base stations, reducing power consumption and footprint, converting a majority of units into outdoor units, and eliminating the need for air-conditioning. These steps have resulted in significant reduction in our carbon footprint.

c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company has not imported any technology in the given period, only telecom equipment was imported.

d) Expenditure incurred on Research and Development (R&D)

None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned for the year:

- (a) Total Foreign Exchange Earnings : ₹ 24,400 Mn
 (b) Total Foreign Exchange Outgo : ₹ 39,486 Mn

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

Himanshu Kapania

Director
 (DIN : 03387441)
 Place: Mumbai

Ravinder Takkar

Managing Director &
 Chief Executive Officer
 (DIN : 01719511)
 Place: Gurugram

Date: June 30, 2021

ANNEXURE 'E' to the Directors' Report

Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2020-21 are as under:**

Directors

The Non-Executive Directors are not paid any remuneration except sitting fees for attending the meetings of the Board and/or Committee thereof, which is within the limits prescribed under the Companies Act, 2013. Further, with effect from August 31, 2018, only Independent Directors are entitled for sitting fees as decided by the Board.

As the remuneration, by way of sitting fees, is not related to the performance or profit of the Company, the ratio of remuneration of each Director to the median employees remuneration is not computed.

Key Managerial Personnel

Sr. No.	Name of KMP and Designation	Remuneration for FY 2020-21 (₹ in Lacs)	% increase in Remuneration in FY 2020-21	Ratio of remuneration of each KMP to median remuneration of employees
1.	Mr. Ravinder Takkar Managing Director & Chief Executive Officer (w.e.f. August 19, 2019)	-	Note (a)	Note (a)
2.	Mr. Akshaya Moondra Chief Financial Officer	472.42*	Note (b)	45.4
3.	Mr. Pankaj Kapdeo Company Secretary	122.79*	Note (b)	11.8

Notes:

(a) Mr. Ravinder Takkar has been appointed as Managing Director & Chief Executive Officer of the Company with effect from August 19, 2019. He is not drawing any remuneration from the Company. As he is not drawing any remuneration, the increase in remuneration and the ratio of remuneration to median remuneration is not applicable.

(b) Due to COVID-19 pandemic, no annual salary revision cycle was carried for the Financial Year 2020-21.

* The remuneration includes special incentive paid in the Financial Year 2020-21.

- (ii) **The percentage increase in the median remuneration of the employees of the Company for the Financial Year 2020-21**

There has been no annual salary revision cycle that was carried out in the Financial Year 2020-21.

The Median Remuneration of Employees of the Company during the Financial Year 2020-21 was ₹ 10.4 Lacs.

- (iii) **The number of permanent employees on the rolls of the Company**

There were 9,173 permanent employees on the rolls of Company as on March 31, 2021.

- (iv) **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2020-21 and its comparison with the percentage increase in the managerial remuneration**

During the Financial Year 2020-21, there was no annual salary revision cycle that was carried out in the remuneration of employees including KMPs.

- (v) **Affirmation that the remuneration is as per the remuneration policy of the Company**

The remuneration of Directors was as per the Remuneration Policy of the Company.

ANNEXURE 'F'

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

**The Members,
Vodafone Idea Limited,
Suman Tower, Plot No. 18,
Sector-11,
Gandhinagar-382011**

Sir,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vodafone Idea Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives in electronic form using the Information Technology Tools due to lockdown on account of COVID-19, during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit year covering the year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

(vi) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

The list of major head / groups of Acts, Laws and Regulations as applicable to the Company is as under:

1. Telecom Regulatory Authority of India Act, 1997 and the rules and regulations made thereunder.
2. Department of Telecommunication guidelines and License Agreements.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors of the scheduled Board Meetings, Agenda and detailed notes on agenda were sent at shorter notice of all the Board Meetings during the year, and the same was consented by all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions in the Board is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that following items were considered and approved through Special Resolution by shareholders of Vodafone Idea Limited at the Annual General Meeting held on 30th September, 2020:

1. Approval of Borrowing Powers of the Company;
2. Approval of creation of security on the properties of the Company;
3. Approval of alteration of Articles of Association of the Company;
4. Approval of issuance of securities for amount not exceeding ₹ 15,000 crore.

Umesh Ved
Umesh Ved & Associates
Company Secretaries

FCS No.: 4411

C.P. No.: 2924

UDIN:F004411C000546898

Place: Ahmedabad

Date : June 30, 2021

To,
**The Members,
Vodafone Idea Limited,
Suman Tower, Plot No. 18,
Sector-11,
Gandhinagar-382011**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Umesh Ved
Umesh Ved & Associates
Company Secretaries**

FCS No.: 4411

C.P. No.: 2924

Place: Ahmedabad
Date : June 30, 2021

UDIN: F004411C000546898

ANNEXURE 'F-1'

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

YOU Broadband India Limited

10th Floor Birla Centurion,
Century Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai – 400 030.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **YOU Broadband India Limited** (hereinafter called the "Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by **YOU Broadband India Limited** as given in **Annexure - I** for the Financial Year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The other Laws applicable specifically to the Company is Annexed with this Report as **Annexure-II**.

The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company and only clause (i), (iii) and (vi) are applicable to the Company.

We have also examined Compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent. Further a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the following specific events were held:

1. The NCLT order received for the Scheme of Amalgamation between YOU System Integration Private Limited (Transferor Company) and YOU Broadband India Limited (Transferee Company) dated 25/01/2021 and certified true copy issued by NCLT on 12/03/2021.

2. Mr. Tridib Ghosh Dastider has been appointed for the position of Chief Financial Officer of the company w.e.f. 28th April, 2020.
3. Mr. Krishnan Ramachandran, an Independent Director on the Board of Directors of the holding Company, Vodafone Idea Limited, was appointed as Non-Executive Director on the Board of the Company, in compliance with SEBI LODR Regulations.

Note:

1. We have conducted online verification & examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for the purpose of issuing this Report.
2. This report is to be read with our letter of even date which is annexed as '**Annexure-III**' and forms an integral part of this report.

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner

Membership No.: F6579

COP No.: 6625

UDIN: F006579C000168356

Place: Mumbai

Date: April 23, 2021

ANNEXURE – I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2020.
3. Minutes of the meetings of the Board of Directors, Audit Committee, held during the Financial Year under report.
4. Minutes of General Body Meetings held during the Financial Year under report.
5. Agenda papers submitted to all the Directors/Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 164(2) and 184(1) of Companies Act, 2013.
7. E-forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the Financial Year under report.
8. Statutory Registers under Companies Act, 2013.

ANNEXURE – II

List of other laws specifically applicable to the Company

1. The Maternity Benefit Act, 1961.
2. The Payment of Gratuity Act, 1972.
3. The Maharashtra Shops & Establishment Act, 1972.
4. The Employee's State Insurance Act, 1948.
5. Employee's Compensation Act, 1923.
6. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
7. The Employees Provident Funds and Miscellaneous Provisions Act, 1952.
8. The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.
9. The Indian Telegraph Act, 1885.
10. The Indian Wireless Telegraphy Act, 1933.
11. The Telecom Regulatory Authority of India, 1997.
12. The Information Technology Act, 2000.

ANNEXURE-III

To,

The Members,
YOU Broadband India Limited
10th Floor Birla Centurion,
Century Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai – 400 030

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

ANNEXURE 'F-2'**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Vodafone Idea Shared Services Limited

(Formerly known as Vodafone India Ventures Limited)

(CIN: U64204MH2016PLC287257)

10th Floor, Birla Centurion Century Mills Compound

Pandurang Budhkar Marg, Worli

Mumbai- 400030

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vodafone Idea Shared Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records as provided in electronic form which, as per the representation of the Company is duly maintained as required under the Companies Act, 2013 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; and
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

The Company being unlisted public company, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, to the extent applicable. The changes in composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. Some meetings of the Board were also convened at shorter notice to transact urgent business in compliance of section 173 of the Act wherein Independent Director(s) were present and detailed notes on agenda were provided in such meetings. Majority decision is carried through unanimously and contrasting / contradictory views of members, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

**For Priti J Sheth & Associates
Company Secretaries**

Priti Sheth

FCS: 6833

COP: 5518

Date: June 26, 2021

UDIN: F006833C000713814

To,

The Members

Vodafone Idea Shared Services Limited

(Formerly known as Vodafone India Ventures Limited)

Our Secretarial Audit Report dated 26/06/2021 is to be read along with this letter.

We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules, regulations and happening of events etc.

- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Priti J Sheth & Associates
Company Secretaries**

Priti Sheth

FCS: 6833

COP: 5518

Date: June 26, 2021

UDIN: F006833C000713814

ANNEXURE 'F-3'**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Connect (India) Mobile Technologies Private Limited

(CIN: U32202MH1999PTC120818)

Skyline Ikon, 1st Floor, 86/92, Andheri Kurla Road,

Marol Naka, Andheri (E),

Mumbai-400059

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Connect (India) Mobile Technologies Private Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records as provided in electronic form which, as per the representation of the Company is duly maintained as required under the Companies Act, 2013 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; and
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

The Company being subsidiary of unlisted public company, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, to the extent applicable. The changes in composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. Some meetings of the Board were also convened at shorter notice to transact urgent business in compliance of section 173 of the Act wherein Independent Director(s) were present and detailed notes on agenda were provided in such meetings. Majority decision is carried through unanimously and contrasting / contradictory views of members, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

**For Priti J Sheth & Associates
Company Secretaries**

Priti Sheth

FCS: 6833

COP: 5518

Date: June 28, 2021

UDIN: F006833C000713761

To,

The Members

Connect (India) Mobile Technologies Private Limited

(CIN: U32202MH1999PTC120818)

Our Secretarial Audit Report dated 28/06/2021 is to be read along with this letter.

We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules, regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Priti J Sheth & Associates
Company Secretaries**

Priti Sheth

FCS: 6833

COP: 5518

Date: June 28, 2021

UDIN: F006833C000713761

ANNEXURE 'F-4'**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Vodafone Idea Communication Systems Limited

(Formerly known as Mobile Commerce Solutions Limited)

(CIN: U74900MH2008PLC183456)

10th Floor, Birla Centurion, Century Mills Compound,
Pandurang Budhkar Marg, Worli, Mumbai- 400030.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vodafone Idea Communication Systems Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records as provided in electronic form which as per the representation of the Company is duly maintained as required under the Companies Act, 2013 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; and
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

The Company being unlisted public company, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above. Form MGT 14 for a Board Resolution is yet to be filed by the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. Some meetings of the Board were also convened at shorter notice to transact urgent business in compliance of section 173 of the Act wherein Independent Director(s) were present and detailed notes on agenda were provided in such meetings. Majority decision is carried through unanimously and contrasting / contradictory views of members, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

**For Priti J Sheth & Associates
Company Secretaries**

Priti Sheth

FCS: 6833

COP: 5518

Date: June 28, 2021

UDIN: F006833C000713781

To,

The Members

Vodafone Idea Communication Systems Limited

(Formerly known as Mobile Commerce Solutions Limited)

(CIN: U74900MH2008PLC183456)

Our Secretarial Audit Report dated 28/06/2021 is to be read along with this letter.

We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules, regulations and happening of events etc.

- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Priti J Sheth & Associates
Company Secretaries**

Priti Sheth

FCS: 6833

COP: 5518

Date: June 28, 2021

UDIN: F006833C000713781

ANNEXURE 'F-5'**FORM NO. MR.3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
VODAFONE IDEA MANPOWER SERVICES LIMITED
(Formerly known as Idea Cellular Services Limited)
Suman Tower, Plot No. 18, Sector No. 11, Gandhinagar,
Gujarat-382011.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VODAFONE IDEA MANPOWER SERVICES LIMITED (Formerly known as Idea Cellular Services Limited)** (hereinafter called the "Company") during the Financial Year ended 31st March, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances/ board process and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the electronic data provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxation granted by the Ministry of Corporate Affairs ("MCA") warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records available to us and maintained by the Company for the Financial Year ended on March 31, 2021 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder, as may be applicable.
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder - **Not Applicable**
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment - **Not Applicable**

Other major Statutes, Acts, Laws, Rules, Regulations, Guidelines and Standards etc., applicable to the Company, as per the details provided by the management of the Company, are given below:

- (i) Maharashtra Shops and Establishments Act, 1948; and Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017;
- (ii) Maharashtra Labour Welfare Fund Act, 1953;
- (iii) The Minimum Wages Act, 1948;
- (iv) Payment of Wages Act 1936 and Payment of Wages (Amendment) Act, 2017;
- (v) The Equal Remuneration Act, 1976;
- (vi) The Maternity Benefits Act, 1961 and The Maternity Benefit (Amendment) Act 2017;
- (vii) Contract Labour (Regulation and Abolition) Act, (for branches where ever applicable), 1970;
- (viii) Payment of Bonus Act, 1965 ;
- (ix) Professional Tax Act, 1975;
- (x) Payment of Gratuity Act, 1972; The Payment of Gratuity (Amendment) Act, 2018;
- (xi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013; and
- (xii) The Employment Provident Funds and Miscellaneous Provisions Act, 1952.

Provisions of the following Regulations and Guidelines prescribed are **not applicable** to the Company, since the Company is not listed on any of the Stock Exchange(s) in India, for the Financial Year ended March 31, 2021 under report:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have also examined the compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Company, being an unlisted public limited company, has not entered into any Listing Agreement and hence the same is not commented upon, however Secretarial Audit is applicable as the Company is material subsidiary of Vodafone Idea Limited (a Company listed at BSE Limited & NSE Limited).

We further report that examination / audit of financial laws such as direct and indirect tax laws has not been carried out by us as a part of this Secretarial Audit.

We further report that the Board of Directors of the Company is duly constituted, the Company being wholly owned subsidiary of Vodafone Idea Limited, appointment of Independent Director is exempted vide MCA circular 09/2017 dated 5th September, 2017. Further the Company is not required to comply with Section 177 and Section 178 with respect to Audit Committee and Nomination and Remuneration Committee. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Board Meetings and Committee Meetings were held at shorter notice after obtaining necessary consent from

directors and same have been duly noted in Board and Committee Meeting Minutes. The agenda and detailed notes on agenda were sent at Shorter Notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All resolutions/decisions including Circular Resolutions of the Board of Directors / Committees are approved by the requisite majority and are duly recorded in the respective minutes.

Majority decisions are carried through and recorded in the minutes and there were no dissenting members for any decisions in the Board or Committee Meetings during the period under review.

We further report that, as per the information provided by the management, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific or material corporate events/actions undertaken by the Company which have a major bearing on the Company's affairs in respect of the above referred laws, rules, regulations, guidelines, standards, etc. except that :

The Company i.e. Vodafone Idea Manpower Services Limited has become Unlisted Material Subsidiary, in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the holding company, i.e. Vodafone Idea Limited, based on net worth criteria of immediately preceding accounting/Financial Year ended on 31st March 2020, as mentioned in the said Regulation.

**For Anish Gupta & Associates
Company Secretaries**

**Anish Gupta
Proprietor**

FRN:I2001MH236100

FCS: 5733, CP No. 4092

UDIN:F005733C000565523

Place: Mumbai

Date: July 1, 2021

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" herewith and forms an integral part of this report.

"ANNEXURE A"

To,
The Members,
VODAFONE IDEA MANPOWER SERVICES LIMITED
(Formerly known as Idea Cellular Services Limited)
Suman Tower, Plot No. 18, Sector - 11,
Gandhinagar - 382011.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures and systems on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. "In view of the restrictions imposed by the Government of India on the movement of people across India to contain the spread of COVID-19 pandemic, which led to the complete lockdown across the nation, we have relied on electronic data for verification of certain records as the physical verification was not possible."

For Anish Gupta & Associates
Company Secretaries

Anish Gupta

Proprietor

FRN:I2001MH236100

FCS: 5733, CP No. 4092

UDIN:F005733C000565523

Place: Mumbai

Date: July 1, 2021

ANNEXURE 'G'

DIVIDEND DISTRIBUTION POLICY

1.0 INTRODUCTION

- 1.1 As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Vodafone Idea Limited (the "Company") is required to formulate and disclose a dividend distribution policy. Accordingly, the Board of Directors of the Company (the "Board") has approved this Dividend Distribution Policy (the "Policy").
- 1.2 The objective of this Policy is to provide clarity to stakeholders on the circumstances in which shareholders of the Company may or may not expect dividend, and specify the factors that will be taken into account while declaring dividend. The Board shall recommend dividend in compliance with this Policy, the provisions of the Companies Act, 2013 and the rules thereunder and other applicable law.

2.0 TARGET DIVIDEND PAYOUT

- 2.1 Subject to applicable law, the Board shall declare or recommend dividend as follows:
- (a) if the Leverage Ratio falls below 3:1, dividend of such amount as may be determined by the Board; and
- (b) if the Leverage Ratio falls below 2.5:1, an amount equal to one hundred per cent. (100%) of:
- (i) the excess cash of the Company and its Subsidiaries as at the end of the last completed financial year as determined by the Board by majority resolution; or
- (ii) if the Board has not passed a resolution to distribute the excess cash of the Company and its Subsidiaries in accordance with (i) above, then the Free Cash Flow of the Company for such financial year,

in each case, *plus* any additional amounts (such additional amounts to be determined by the Board) in respect of any previous financial year(s) that would, but for any of the restrictions referred to in this Policy, have been so distributed but which have not been so distributed and can then be distributed.

- 2.2 Subject to paragraph 2.1 above, the Company shall declare dividends at least once in each financial year and shall be entitled to make interim distributions.

3.0 FACTORS TO BE CONSIDERED FOR DIVIDEND PAYOUT

For purposes of determination of the amount of dividend to be declared or recommended pursuant to paragraph 2.1(a) of this Policy, the Board will consider various internal and external factors, including but not limited to the following:

- Leverage profile and capital adequacy metrics
- Stability of earnings
- Cash flow position from operations
- Future capital expenditure, inorganic growth plans and reinvestment opportunities
- Industry outlook and stage of business cycle for underlying businesses
- Overall economic/regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Payment of Annual instalment of AGR liability pursuant to Hon'ble Supreme Court judgment in AGR matter
- Any other factor as deemed fit by the Board

4.0 PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. If the Company issues other kinds of shares, the Board may suitably amend this Policy.

5.0 RETAINED EARNINGS

Subject to paragraph 2.1 of this Policy, retained earnings may be used for the Company's growth plans, working capital requirements, debt repayments and other contingencies.

6.0 REVIEW

This Policy is subject to revision/amendment on a periodic basis.

7.0 DISCLOSURE

This Policy (as amended from time to time) will be available on the Company's website and in the Annual Report.

8.0 DEFINITIONS

8.1 "EBITDA" means the consolidated profit before tax of the Company as per the Financial Statements for that relevant period after adding back: (a) any amount attributable to amortisation of intangible assets and goodwill, and depreciation of tangible assets; (b) Finance Charges; (c) items treated as exceptional; and (d) Integration Costs, in each case, to the extent added, deducted or taken into account, as the case may be, in determining the consolidated profit before tax of the Company as per the relevant Financial Statements;

8.2 "Finance Charges" means, for any relevant period, the aggregate amount of interest, commission, fees, discounts, prepayment penalties or premiums, Forex Losses or Gains (if net losses) and other finance payments in respect of Financial Indebtedness whether accrued, paid or payable in respect of that relevant period, net of any treasury income (representing income from investing surplus cash in securities as per the treasury policy of the Company), or interest or similar income and Forex Losses or Gains (if net gains) whether accrued, received or receivable, and:

- (a) including the interest element of leasing and hire purchase payments;
- (b) including the mark-to-market gains or losses, whether realised or unrealised, on foreign exchange rate and interest rate derivative financial instruments; and
- (c) including any amounts in the nature of interest payable in respect of any shares other than ordinary equity share capital;

8.3 "Financial Indebtedness" means any borrowings or indebtedness appearing in the consolidated balance sheet for or in respect of:

- (a) moneys borrowed;
- (b) Deferred Payment Obligation for Spectrum;

- (c) accrued interest payable;
- (d) any interest bearing amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
- (e) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (f) the amount of any liability in respect of any finance lease;
- (g) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (h) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing under Ind AS;
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and
- (j) shares which are expressed to be redeemable or shares or instruments convertible into shares (other than compulsorily convertible instruments),

provided in each case that there shall be no double-counting of any indebtedness;

8.4 "Financial Statements" means in relation to the Company the consolidated quarterly financial statements of the Company and its subsidiaries prepared under Ind AS;

8.5 "Forex Losses or Gains" means the net foreign exchange gains or losses with respect to Financial Indebtedness denominated in a currency other than INR;

8.6 "Free Cash Flow" means, in respect of any accounting period, EBITDA less net interest and other net financial expenses, less tax payments, less net change in working capital, less tangible capital expenditure, less intangible capital expenditure, plus net proceeds from asset sales but, for the avoidance of doubt, before

net proceeds from borrowings, in all cases as determined in accordance with the accounting policies of the Company and by reference to the Financial Statements;

- 8.7 “Integration Costs” means costs incurred on or after August 31, 2018 in connection with the combination of the Company and Vodafone India Limited, which would not have been incurred otherwise;
- 8.8 “Leverage Ratio” means, at any time, the ratio of the Net Financial Debt to LTM EBITDA, each of which shall have been determined with reference to the same time;
- 8.9 “LTM EBITDA” means, at any time, the EBITDA (by reference to the Financial Statements) for the 12 (twelve) months up to the end of the most recent calendar quarter ended 31st March, 30th June, 30th September or 31st December. Where LTM EBITDA requires EBITDA to be determined for periods prior to August 31, 2018, EBITDA for these periods shall be taken from the Financial Statements and the Vodafone Financial Statements and aggregated;

8.10 “Net Financial Debt” means, at any time, the aggregate amount of all obligations of the Company for or in respect of Financial Indebtedness at that time but:

- (a) deducting the aggregate amount of cash and cash equivalent investments held by the Company at that time; and
- (b) deducting the aggregate amount of interest receivable by the Company at that time,

and so that no amount shall be included or excluded more than once; and

8.11 “Vodafone Financial Statements” means the consolidated financial statements of Vodafone India Limited and its subsidiaries prepared for group reporting purposes under IFRS.

9.0 GENERAL

Any questions or clarifications relating to this Policy should be addressed to the Company Secretary at pankaj.kapdeo@vodafoneidea.com.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN WIRELESS SECTOR

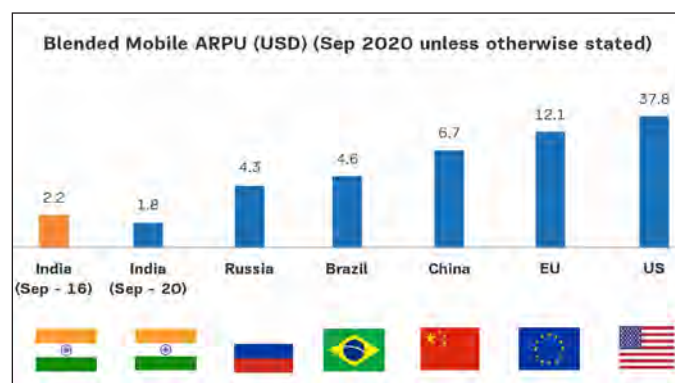
During the year, the COVID-19 pandemic and the subsequent nation-wide lockdowns has caused unprecedented and unforeseen challenges. Apart from the impact on the overall economic activity and severe loss of lives, the pandemic also impacted physical, social, and mental well-being of people. During these difficult times, India's telecom sector has been the firm backbone for the digital infrastructure of the country. With the businesses shifting to Work from Home, education moving online, and OTT platforms becoming the go to source for entertainment, the role of Telecom Infrastructure Providers has become even more critical to keep the customers connected. Your Company believes several of these trends are structural in nature, impacting long term ways of working and living.

During the pandemic, the telecom industry faced its own set of challenges. As most of the retail stores were closed, acquisition of new customers, customer's ability to recharge and availability of physical recharges was adversely impacted. Due to movement restrictions during the lockdown, the network rollout was also impacted. Yet in spite of the difficult circumstances, the telecom operators demonstrated commitment and continue to serve the customers and the country.

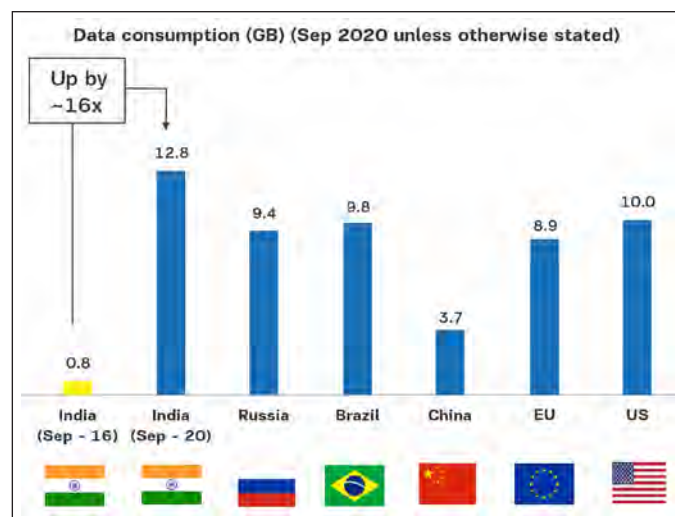
Your Company has played a critical role in providing connectivity services to millions of Indians through these challenging times. Your Company's focus continues to be on delivering uninterrupted services while maintaining exceptional quality of services. Your Company has also taken several stringent measures to ensure safety of its employees and partners. Your Company will continue to extend its support to the country to tackle the crisis. After extending free validity and talktime in the first wave to the marginalized customers, your Company again offered special relief package during the severe second wave of pandemic, to low income users, offering free validity and talktime.

The telecom industry continues to grapple with hyper-competition as all the operators have been selling heavily discounted unlimited voice plans with bundled data, in order to defend their subscriber base. The significant ARPU erosion, despite the multifold growth in volume of voice and data usage over the last several years has led to persistent financial stress for the operators. The increasing penetration of unlimited bundled plans has also necessitated continuing capex and spectrum investments to expand 4G coverage and capacity. Resultantly, none of the Indian telcos are making reasonable returns on their capital employed.

After several years of hyper competition which led to tariff decline, in FY20, all the operators increased pre-paid tariffs in December 2019 across all price points for both unlimited plans as well as combo voucher plans. While the tariff hike was a step in the right direction, ARPU recovery still has a long way to go and the industry continues to provide unsustainably low tariffs. India continues to have the lowest tariffs globally, while the proliferation of unlimited data bundles have led to India having one of the highest data usage (per subscriber) in the world. Further, FY21 ARPU is lower in comparison to historic trends, despite the fact that the consumer gets much more value in terms of unlimited voice and daily data allowances, compared to five years ago. It may be noted that in China the operators do not have to pay for spectrum, whereas for VIL, Spectrum represents more than half of capital employed in the business. Despite that China's ARPU is almost 4x of Indian ARPU.



Source: GSMA Intelligence Database based on spot USD FX as of Sep 2020

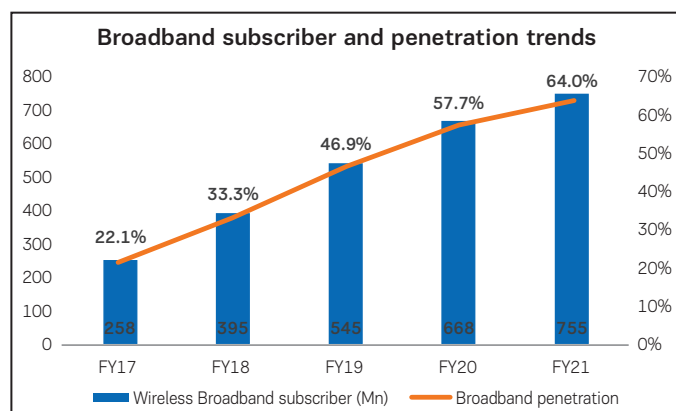


Source: GSMA Intelligence Database

While the operational challenges continue, the consolidation of telecom industry from 8-10 operators earlier to its optimal structure of 3 large private operator

and 1 government operator presents several opportunities for the surviving operators as and when prices revive. The overall tele-density for India as of March 2021 stood at 86.7% suggesting there is still a proportion of population, yet to start using mobility services. This holds true especially for rural areas where tele-density is still low at 60.1%, which remains a significant opportunity for the Indian telecom operators. India's young population, rapid urbanization and growing middle class ensure a growing subscriber base in the target demography. It is estimated that 93.3% of India's population is estimated to be aged under 65 years, with 26.3% aged under 15 years (Source: CIA World Factbook Website - 2020 estimate).

The continued accessibility to mobile services and low-priced tariffs has spurred the growth and deployment of wireless broadband internet. Mobile broadband is the primary medium to access internet in India as the lack of adequate wired internet infrastructure restricted its growth only to major cities. As the operators continue to expand their 4G coverage and capacity, India witnessed an impressive growth in wireless broadband subscriber (>512 kbps), up from 258 million in March 2017 to 755 million in March 2021, an addition of 497 million subscribers in 5 years. As of March 2021, the wireless broadband subscribers base of 755 million in India was almost 33 times compared to 23 million wired broadband subscribers (source: TRAI). While the industry continues to witness robust broadband subscriber addition, at 64% broadband penetration, it's still lower compared to developed countries and will remain an incremental opportunity for the Indian telecom operators.



Source: TRAI. Broadband penetration is as a percentage of overall subscriber base

Smartphones have been the epicenter of India's phenomenal data growth story as an average Indian spends approximately 5 hours daily on a smartphone which is one of the highest averages globally (Source: Nokia – India Mobile Broadband Index 2021). Smartphone as well as

4G penetration has seen significant growth in the last 5 years and now stands at more than 50%. 4G penetration is estimated to further increase to 73% by 2025, as per GSMA intelligence. This is backed by factors like high growth in the number of smartphone users, including growth in rural areas, due to usage of OTT platforms, social media, e-learning, and companies leaning towards hybrid/flexi working models. The strong growth in smartphone users and the evolving capabilities of 4G and 5G networks open a much larger addressable market for sectors where internet is needed.

The government's Digital India vision has been supporting the rapid ongoing digitalisation in the Indian market. Due to increase in digital adoption in all forms, usage of digital payments also increased. During March 2021, UPI payment increased more than 100% Y-o-Y with current turnover of more than ₹ 5 trillion. The COVID-19 pandemic further acted as a catalyst accelerating adoption of digital infrastructure. As there has been a shift from physical stores to digital engagement channels, your Company has also witnessed significant increase in digital recharges compared to pre-pandemic level. The trend towards digitalization bodes well for the telecom operators.

With the acceleration of IoT and growing OTT consumption, telecom industry is undergoing a digital transformation. The telecom operators are not just offering voice and data services, but also a suite of digital service applications, own as well as through partnerships, and are thus transitioning from being pure telecom service providers to integrated digital service providers offering entertainment, information, cloud and storage services. This in turn is opening up several new revenue streams for the operators in the long run.

The Hon'ble Supreme Court on October 24, 2019 delivered its judgment on the cross appeals against the Hon'ble TDSAT judgment dated April 23, 2015, relating to the definition of Adjusted Gross Revenue (AGR Judgment). The order upheld the principle demand, levy of interest, penalty and interest on penalty. This Financial Year, on September 01, 2020, Hon'ble Supreme Court has directed that for the demand raised by DoT in respect of the AGR dues based on the judgement of this court, there shall not be any dispute raised by any of the Telecom Operators and that there shall not be any re-assessment; the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021 and thereafter shall make payments in yearly instalments commencing from April 01, 2021 to March 31, 2031 payable by March 31 of every succeeding Financial Year. Your Company has made payments of

₹ 78.5 billion up to September, 2020. As the cumulative amount paid by your Company exceeded 10% of the total liability, which it believes is as demanded by DoT for the period upto the date of judgment, the next instalment would be payable only by 31st March, 2022. Accordingly, your Company has informed DoT that it has paid more than 10% of the total dues and has complied with the Hon'ble Supreme Court order. Your Company has also filed affidavit with the Hon'ble Supreme Court confirming payment of 10% of the total dues with an undertaking to pay arrears as per the court judgment.

Subsequent to the judgment, your Company had written to the DoT requesting them for corrections of certain computational errors, admissible pass-through and payments made in the past not considered while computing DoT demands. Further, on January 07, 2021, your Company had filed a modification application with Hon'ble Supreme Court requesting them to allow DoT to correct manifest/clerical/arithmetic errors in the computation of AGR demands and carry out the corrections in accordance with law within a reasonable period of time. The application has been dismissed by the Hon'ble Supreme Court on 23rd July, 2021. Subsequently, on 10th August, 2021, your Company has filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application again.

Further, there was another significant regulatory development during the year on the domestic interconnection policy. On 17th December, 2019, TRAI had issued the IUC regulation vide which the Domestic Mobile Call Termination rates were to continue at 6 paise per minute till 31st December, 2020 and it would be reduced to NIL w.e.f. 1st January, 2021. Subsequently, the industry moved to zero IUC regime effective from 1st January, 2021.

Your Company hopes government takes cognizance of the criticality of the sector and the important role it has played during this 'once-in-a-century' COVID crisis and the subsequent tectonic shift towards digital way of life. As the industry continues to remain under unsustainable financial duress, we remain hopeful that the government will provide the necessary interim support to address the structural issues faced by the sector, and enable operators to generate returns on their investments thereby improving the overall health of the industry.

DISCUSSION ON VODAFONE IDEA'S OPERATIONAL PERFORMANCE

Mobile Business overview

Your Company, an Aditya Birla Group and Vodafone Group partnership, is a major telecommunication operator in

India, offering Voice, Data, and other Value Added Services ("VAS"), business connectivity services including IoT, Cloud, managed services etc. Your Company is continuously engaged in developing world-class infrastructure to introduce newer and smarter technologies for its both retail and enterprise customers. Your Company aims to offer future ready technologies with innovative offerings that can be accessed conveniently through an ecosystem of digital channels as well as extensive presence on the ground.

1. Voice Services

Your Company offers Voice services in all 22 service areas. Your Company now covers more than 1.2 billion Indians in over 487,000 census towns and villages with its Voice services. Your Company also provides 4G VoLTE across all 22 circles to provide enhanced voice experience to its 4G subscribers. During FY21, your Company also introduced Voice over WIFI (VoWiFi) calling feature for its subscribers. Currently, VoWiFi is being provided in select circles which will soon be rolled out to other circles in a phased manner.

2. Broadband Services

Your Company provides broadband data services on 3G and 4G platforms in all 22 service areas of India. Your Company's broadband coverage is available in over 331,000 census towns and villages, covering more than a billion of the Indian population. The population coverage on 4G is more than 1 billion as well, as of March 31, 2021. During FY21, your Company has started to shutdown its 3G network, while it continues to focus on expansion of its 4G network.

The following table reflects the traction in key data metrics over the year:

Description	Unit	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Total Data Subscribers (2G+3G+4G)	Mn	139.5	135.7	137.5	137.6	139.9
Broadband Subscribers (3G+4G)	Mn	117.4	116.4	119.8	120.8	123.6
4G Subscribers	Mn	105.6	104.6	106.1	109.7	113.9
Monthly data usage by Broadband subscribers (3G+4G)	MB	11,462	13,124	11,978	12,288	13,068
Total Data Volume (2G+3G+4G)	BnMB	4,090	4,523	4,340	4,489	4,856
Broadband Population Coverage	Mn	1,010	1,014	1,015	1,018	1,021
4G Population Coverage	Mn	992	996	998	1,001	1,005

With Pan India broadband presence, and improving coverage and capacity post consolidation, your Company has seen a steady rise in broadband subscriber penetration (as a percentage of reported subscribers) increasing from

40.3% in Q4FY20 to 46.2% in Q4FY21 and 4G penetration increasing from 36.3% to 42.5% in the same period. As your Company continues to focus on 4G network expansion, 4G subscriber penetration should further improve in the coming years.

3. Content and Digital Offerings

Your Company has launched several digital initiatives to address the changing requirements of today's digital society enabling individuals and enterprises to get a range of benefits and value-adds. Vi will offer not just enriched connectivity but also an array of digital products and services to complement the core business.

To provide best in class content to its customers through the application Vi Movies and TV, your Company has tied up with various content creators and OTT apps like Voot Select, Fireworks, Sun NXT, Shemaroo Me, Hoichoi, Lionsgate Play, Hungama, TV Today, Discovery and others. The app provides a range of content including Movies, Live TV, TV shows, latest originals and short format videos in 16+ languages. Additionally, your Company has tie ups with leading content providers like Amazon Prime, Disney+Hotstar, Zee5 and Netflix for its premium customers.

Your Company has also entered into strategic partnerships with key players in the areas of Learning & Upskilling, Health & Wellness, and Business help to offer unique benefits to the new age customers. Your Company has forged partnerships with upGrad, Udemy, Pedagogy, cure.fit, 1mg, MFine, Eunimart, Hubbler and Fiskl and plans to on-board more partners under each of these areas to enable Vi users get exclusive offers from these players.

4. Other VAS Offerings

Your Company offers a variety of other Value Added Services (VAS) offerings, including:

- Entertainment services such as sports (score updates), IVR based content, WAP based games;
- Voice and SMS based services such as caller tunes, voice and SMS chat, star talk, expert advice and subscriptions services; and
- Utility services such as missed call alerts, doctor on call and astrology services.

Long Distance Services and ISP

Your Company holds licenses for NLD, ILD, ISP and IP-1 services. These licenses are used to carry inter-circle voice traffic of your Company and also bring incoming voice traffic from top international carriers across the globe in to India. Your Company also sends all of the outgoing International

Voice traffic on its own network and the interconnections with these licenses enable it. These licenses also help your Company to offer various Enterprise Fixed Voice and Data Services to external customers like Enterprise, Government and Wholesale customers. Vodafone Idea ISP currently handles all captive subscriber traffic requirements.

Business Services

Your Company through Vodafone Idea Business Services provides total communication solutions to empower global and Indian corporations, public sector & government bodies, small & medium enterprises and start-ups. With robust enterprise mobility and fixed line connectivity, world-class IoT solutions and insightful business analytics & digital solutions, your Company brings the smartest and newest technologies to serve businesses in the digital era. With the advantage of its global expertise and knowledge of local markets, Vi business endeavours to be a trusted and valued partner for businesses in a digital world.

Passive Infrastructure Services (Indus Towers)

On April 25, 2018, the merger of Bharti Infratel and Indus towers was announced to create a listed Pan-India tower Company. On November 19, 2020, the merger of Indus and Infratel got completed. Your Company has sold its 11.15% stake in Indus on completion of the merger for a cash consideration of ₹ 37.6 billion in accordance with the terms of agreement. Out of the consideration received from Infratel, your Company had made a prepayment of ₹ 24 billion to the merged tower entity, which has been completely adjusted in line with terms of the agreement.

The proportionate profit/ loss of Indus was thus consolidated at the PAT level in Vodafone Idea's financial statements till quarter ended December 2020.

Competitive Strengths

1. Competitive Spectrum Profile

Your Company has a total of 1,768.4 MHz of spectrum across various frequency bands out of which 1,738.4 MHz spectrum is liberalised and can be used towards deployment of any technology (2G, 3G, 4G or 5G). Vi recently acquired 23.6 MHz of spectrum in March 2021 auction across 900 and 1800 MHz in 5 circles as well as optimized spectrum holding in some circles. With this spectrum purchase, 1,340.4 MHz of spectrum has been acquired through auctions between year 2014 and 2021 and is having the validity until 2034 to 2041. This large spectrum portfolio across 22 circles allows the Company to create enormous broadband capacity and ability to offer superior customer experience.

Below table provides the spectrum held by your Company across all service areas:

Circle	Liberalised Spectrum					Total FDD X 2 + TDD
	900	1800	2100	2300	2500	
Andhra Pradesh	5.0	6.6	5.0	-	10.0	43.2
Assam	-	25.0	5.0	-	20.0	80.0
Bihar	-	13.4	5.0	-	10.0	46.8
Delhi	10.0	10.6	5.0	-	20.0	71.2
Gujarat	11.0	20.8	10.0	-	30.0	113.0
Haryana	12.2	15.8	15.0	-	20.0	106.0
Himachal Pradesh	-	11.2	5.0	-	10.0	42.4
Jammu & Kashmir	-	17.0	5.0	-	10.0	54.0
Karnataka	5.0	15.0	5.0	-	-	50.0
Kerala	12.4	20.0	10.0	10.0	20.0	114.8
Kolkata	7.0	15.0	10.0	-	20.0	84.0
Madhya Pradesh	7.4	18.6	5.0	10.0	20.0	92.0
Maharashtra	14.0	12.4	15.0	10.0	30.0	122.8
Mumbai	11.0	10.2	10.0	-	20.0	82.4
North East	-	25.8	5.0	-	20.0	81.6
Odisha	5.0	17.0	5.0	-	20.0	74.0
Punjab	5.6	15.0	10.0	-	10.0	71.2
Rajasthan	6.4	10.0	15.0	-	20.0	82.8
Tamil Nadu	5.0	11.4	15.0	-	-	62.8
Uttar Pradesh (East)	5.6	10.0	20.0	-	20.0	91.2
Uttar Pradesh (West)	5.0	15.0	10.0	-	20.0	80.0
West Bengal	7.4	23.4	5.0	-	20.0	91.6
Total Liberalised	135.0	339.2	195.0	30.0	370.0	1,738.4
Administrative Spectrum	6.2	8.8				30.0
Total Spectrum	141.2	348.0	195.0	30.0	370.0	1,768.4

2. Extensive Network Infrastructure and Coverage

Following merger of Vodafone and Idea and the subsequent network rollout, your Company has a strong network footprint across the country which enables it to offer comprehensive consumer offerings as well as have substantial capacity spectrum to address the growing data demand. Your Company has large network assets in the form of 2G, 3G, 4G equipment and country wide Optical Fibre Cable (OFC). Your Company has over 180,000 unique towers across 487,000 census towns and villages covering more than 1.2 billion of Indian population. Your Company has 452,650 broadband (3G+4G) sites across 331,429 census towns and villages. Your Company's broadband coverage stands at over a billion Indian population with presence in 165,409 unique broadband locations as of March 31, 2021. The 4G population coverage stands at over 1 billion as well, as of March 31, 2021. Your Company has a combined portfolio

of over ~376,000 km of OFC including own built and Indefeasible Right of Use (IRU) OFC, and common routes. Your Company also has Pan India Voice over LTE (VoLTE) services and has also started to offer VoWiFi services in select circles.

Your Company continues to focus on enhancing its 4G infrastructure. During the year, your Company has also started to aggressively upgrade its 3G network to 4G. Your Company also continues to deploy latest technology of Dynamic Spectrum Re-farming (DSR), and Small Cells to maximize spectrum efficiency. Massive MIMO deployment of your Company remains the largest in India. Your Company has been deploying LTE on TDD band of 2300 MHz and 2500 MHz spectrum band to expand the capacity and on 900 MHz band on select sites to improve customer experience in dense areas.

3. Large Subscriber Base

Your Company has 267.8 million subscribers as of March 31, 2021, of which 123.6 million were broadband subscribers. As your Company is expanding its 4G coverage and capacity, this large subscriber base provides a great platform to upgrade voice only customers to users of data services and digital content.

4. Power Brand

On September 07, 2020, your Company launched its unified brand **VI** on the back of the world's largest integration. The new brand leverages on the legacy of two of the most loved brands of the country **vodafone** and **Idea**, which have brand saliency established over decades. Vi™ is a brand with its eyes set on the future, it's built for and around the customer - as we partner every Indian to create a better and brighter tomorrow, together. Vi™ is built to be strong, ever-dependable, agile, intuitive, and a brand in tune with the needs of the customers, in these ever-changing times. It is future ready and committed to dynamically serve and enable a digital society. The brand has already garnered strong awareness and will continue to build brand affinity across all customer segments in the country.

At present, your Company's communication strategy is aimed at strengthening brand stature by building 4G credentials. Your Company has launched several customer awareness campaigns including during IPL across TV, Digital as well outdoor media, which is leading to stronger network perception, improving customer engagement as well as brand affinity.

Overview of Key strategic initiatives

Following the merger with erstwhile Vodafone India in August 2018, your Company has successfully completed the integration exercise and fully realized the targeted synergies at a record pace in comparison with any global mergers, especially given the size, scale and complexity of the integration. The five pillar strategy which acted as a compass to navigate the critical phase of integration continues to guide your Company going forward. As a natural progression or evolution of the strategy, below are the ongoing major strategic initiatives to improve your Company's revenue and profitability as well as to strengthen its overall position in the market:

1. Focus on Network Investments

Your Company continues to have a focused approach to investments, biased towards its profitable areas, to utilize its capex effectively while ensuring superior customer experience. Your Company is driving incremental 4G investments in its 16 priority circles, which contribute 94% of its revenue and 86% of industry revenue, to further

strengthen its position in these markets. While most of the incremental capex will be directed towards these 16 circles, your Company will continue to invest in profitable districts of the remaining 6 circles and remains committed to ensuring seamless connectivity in these 6 circles.

During FY21, your Company has been actively upgrading 3G network to 4G further boosting coverage and capacity. During the year, your Company has added ~43,500 4G FDD sites primarily through refarming of 2G/3G spectrum at minimal capex. With focused rollout, the 4G coverage has crossed a billion Indians. The overall broadband site count stood at 452,650 as of FY21 end, compared to 436,006 a year ago. Your Company has also been driving fiberization of 4G sites to support capacity expansion and the overall fiber footprint stands at ~376,000 km, including own built as well as IRU, and common routes. All the network initiatives such as spectrum consolidation and re-farming, deployment of TDD sites, small cells and massive MIMO have delivered a significant capacity uplift and has enable us to offer superior customer experience.

Your Company's relentless pursuit to have the best 4G network, through integration and incremental network investments post-merger, is clearly visible through the top rankings across various third party reports on both data and voice. As per Ookla, the global leader in Internet Performance Testing, Vi GIGAnet 4G network was the fastest 4G network in the country for 3 consecutive quarters (from Q2FY21 to Q4FY21). Your Company also had the highest rated voice quality in the country as per TRAI's "MyCall" app data for 6 months consecutively between November 2020 and April 2021. This is not only providing a great experience for its customers but also helping your Company drive stronger network perception leading to better customer response in the market.

While your Company is currently in the middle of its 4G capex cycle, it is also deploying equipment which is 5G ready on both radio and core. Your Company has already deployed and using an array of 5G technologies such as Massive MIMO, DSR, Open RAN, Cloudification of core etc. Your Company has tested dynamic spectrum sharing as a feature between the 4G and 5G with its existing 4G spectrum. Your Company has also initiated 5G trials with its major Network partners Nokia & Ericsson on the recently allocated 5G spectrum in 2 cities - Pune and Gandhinagar.

2. Market initiatives to improve ARPU

India has amongst the lowest ARPUs in the world despite having one of the highest data usage per subscriber. While the tariff hike in December, 2019 was a step in the right direction, ARPU's are still far from being sustainable. Your Company believes the market will be able to absorb further tariff hikes, which is essential to address the structural

issue faced by the sector enabling operators to generate reasonable returns on their capital employed and support future investments.

While tariff hike remains critical to improve the overall industry health, your Company has undertaken several market initiatives to improve ARPU with focus on driving 4G/UL plan penetration. Your Company also aims to scale up the proportion of high ARPU subscribers through large programs in conjunction with OEMs and NBFCs for 4G device adoption.

As a part of Customer excellence drive, your Company continues to aggressively focus on digitalization of customer servicing across all touch points with a clear focus towards shift to digital. Your Company launched WhatsApp bot, an industry first, addressing millions of customer queries digitally and has several such new initiatives in the pipeline. Further, your Company has renewed its focus on digitalization of distribution channel to completely automate sales process creating seamless and efficient journey for the channel partners. Your Company has developed tools like “m-power” and “smart connect” app which sports some industry first features for its trade partners. These apps provide Real Time Information on various KPI’s which help the team to be on top of the business and drive efficiencies at the outlet level.

To further the digital agenda, your Company now has digital acquisition in more than 100 cities, for both prepaid and postpaid customers, including same day door step delivery and digital KYC processes, serviced through its dedicated delivery partners as well as own stores.

3. Focus on Business Services and new fast growing segments

Business Services remains one of the key focus areas. Your Company is well positioned in enterprise offerings across the industry verticals and will strive to further improve its position with focus on fast growing segment of IoT solutions, cloud offerings, carrier services etc. Despite the challenging environment, your Company has seen strong growth in several of the non-mobility enterprise segments during the year. The strong relationship with customers over several years and global know how of Vodafone Group provide strong platform for future growth in this segment.

In new business streams, cloud services remains central to the growth strategy. Your Company aims to scale up the cloud marketplace by creating differentiated offerings through its own assets and strategic partnerships such as Colocation/ IaaS/ SaaS providers. Further, Vi Business continue to maintain strong positioning in IoT offerings, which has a potential to grow manifold in the near future amid government’s push towards ‘Digital India’ and ‘Smart Cities’.

On IoT, your Company has further strengthened its IoT portfolio with the launch of Integrated IoT solutions for enterprises. Vodafone Idea is the first telecom Company in India to offer a secure end-to-end IoT solution that comprises connectivity, hardware, network, application, analytics, security and support. The launch of integrated IoT solutions is a strategic step towards making Vi Business – an IoT ecosystem integrator for Indian enterprises, and positioning us to have an Ecosystem Play driving the transformation from a ‘Telco’ to ‘Techco’.

During the current pandemic, Vi Business continued to support enterprises and SMEs in their digital transformation journey. The robust Business continuity plan and suite of products and services are enabling enterprises to adopt digital in a secure manner, fostering remote working while ensuring workforce safety and promote employee collaboration. The comprehensive Carrier Services offerings power the digital infrastructure of some of the largest OTT service providers in the country. Your Company thus believes in a post COVID-world, which will be more digitally connected, Vi business offerings are well placed to thrive.

4. Driving Partnerships and Digital Revenue streams

Your Company’s strategy has remained unchanged since the merger, as it will continue partnering with the “best in class”, rather than owning the value chain. Your Company continues to have several regional and global content partners. Some of the content partners in your Company’s portfolio include Amazon Prime, Disney+Hotstar, Zee5, Netflix, Voot Select, Fireworks, Sun NXT, Shemaroo Me, Hoichoi, Lionsgate Play, Hungama, TV Today, Discovery among others. In recent partnerships, Vi has collaborated with Hungama to launch Pay Per View Model for premiering digital films from Hollywood at a onetime cost. This unique offering is available only on Vi amongst telecom operators for its postpaid android users and provides a library of 350 titles in 4 languages.

Your Company’s strategy on partnerships extends way beyond content. Your Company has partnered with various e-commerce platforms, handset manufacturers, financial institutions, NBFCs among many others to create value not only for the customers, but also for the Company and its partners.

As your Company plans for the future, it is now focusing on its platform capabilities to offer a deeper integration with the partners to provide differentiated experience, create monetization opportunities and truly become an integrated digital service provider. As a big step in this direction, your Company has entered into strategic partnerships with key players in the areas of Learning & Upskilling, Health & Wellness, and business help to offer unique benefits to the new age customers. Your Company has forged partnerships

with upGrad, Udemy, Pedagogy, cure.fit, 1mg, MFine, Eunimart, Hubblar and Fiskl and plans to on-board more partners under each of these areas to enable Vi users get exclusive offers from these players. These telco++ offerings will help your Company drive more value for its customers and offer growth opportunities for the business.

5. Cost Optimization to drive organizational efficiency

Over the last few years, telecom industry has been going through structural changes with focus shifting towards digital and decision making increasingly becoming centralized. Post successful realization of ₹ 84 billion targeted synergies through the de-duplication exercise, your Company has initiated a further cost optimization plan in line with the evolving industry structure and business model and targets to achieve ₹ 40 billion of annualized opex savings by the end of calendar year 2021.

Your Company took some major initiatives such as -

- (i) Focus on restructuring business for new market realities
- (ii) Cluster approach to manage operations in line with evolving industry dynamics
- (iii) Optimization of network costs as well as real estate footprint
- (iv) Centralized design, planning and major network functions
- (v) Center of excellence for customer services
- (vi) Focus on digital across functions and processes

All these initiatives are aimed at making your Company cost-competitive and transform it into a lean and agile 'fit for future' workplace. Impact of several of these initiatives are already visible in the cost reductions across many of the opex line items. Your Company has already achieved ~65% of the annualized cost savings on run rate basis by the end of Financial Year 2021.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS BASED ON STANDALONE FINANCIAL

The key financial ratios are as under:

Particulars	2020-21	2019-20
Current Ratio ¹	0.46	0.60
Debt Equity Ratio ²	NA ⁶	12.79
Debt Service Coverage Ratio ³	0.41	0.40
Interest Service Coverage Ratio ⁴	0.53	0.53
Operating Profit Margin (%)	39%	33%
Net Profit Margin (%) ⁵	(58%)	(77%)
Return on Net Worth (%) ⁵	NA ⁶	(382%)

¹Excluding Liability accrued towards AGR Judgment, borrowings and interest accrued. (Lower current ratio is due to reduction in current asset with increase in current liabilities)

²Debt - Equity Ratio = Debt (excluding interest accrued but not due) / Equity (Lower Debt Equity ratio is due to reduction in equity on account of losses incurred for the year and increase in debt during the year)

³DSCR = [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalized + scheduled long term principle repayments (excluding prepayments)]

⁴ISCR = [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised]

⁵Excluding Exceptional items

⁶As the Net-worth is negative as on March 31, 2021

STANDALONE FINANCIAL RESULTS

Revenues

Revenue from operations for the Financial Year ended March 31, 2021 decreased by ₹ 30,423 Mn and stood at ₹ 416,727 Mn for the Financial Year ended March 31, 2021 as compared to ₹ 447,150 Mn for the Financial Year ended March 31, 2020, primarily due to decrease in IUC rates effective January 1, 2021 and reduction in Postpaid revenue.

Other Income comprising of interest income, dividend income and gain on investments in mutual funds stood at ₹ 2,584 Mn for the year ended March 31, 2021 as compared to ₹ 10,861 Mn for the year ended March 31, 2020. The decrease is mainly on account of decrease in interest income amounting to ₹ 6,913 Mn and decrease in gain on mutual funds (including fair value gain) by ₹ 2,479 Mn. This was partially offset by an increase in dividend income by ₹ 1,115 Mn from Indus Towers.

Operating Expenses

Total operating expenditure decreased by ₹ 48,534 Mn from ₹ 300,976 Mn for the year ended March 31, 2020 to ₹ 252,442 Mn incurred for the year ended March 31, 2021.

Employee Benefit Expenses: Employee benefit expenses decreased by ₹ 1,143 Mn from ₹ 19,726 Mn for the year ended March 31, 2020 to ₹ 18,583 Mn for the year ended March 31, 2021 primarily due to reduction in head count.

Network Expense and IT Outsourcing Cost: Network Expense and IT Outsourcing Cost decreased by ₹ 11,908 Mn from ₹ 109,849 Mn for the year ended March 31, 2020 to ₹ 97,941 Mn for the year ended March 31, 2021 primarily due to decrease in power and fuel expenses, repairs and

maintenance-plant and machinery expenses and other network operating expenses to ₹ 55,356 Mn, ₹ 22,800 Mn and ₹ 1,515 Mn for the year ended March 31, 2021 from ₹ 60,814 Mn, ₹ 26,995 Mn and ₹ 2,582 Mn for the year ended March 31, 2020 respectively.

License Fees and Spectrum Usage Charges:

License Fees and Spectrum Usage charges decreased by ₹ 7,185 Mn from ₹ 48,476 Mn for the year ended March 31, 2020 to ₹ 41,291 Mn for the year ended March 31, 2021, primarily as a result of decrease in adjusted gross revenue.

Roaming and Access Charges:

Roaming and Access Charges decreased by ₹ 7,070 Mn from ₹ 59,976 Mn for the year ended March 31, 2020 to ₹ 52,906 Mn for the year ended March 31, 2021. This is primarily due to decrease in IUC rates effective January 1, 2021.

Subscriber Acquisition and Servicing Expenditure:

Subscriber Acquisition and Servicing Expenditure decreased by ₹ 11,729 Mn from ₹ 29,886 Mn for the year ended March 31, 2020 to ₹ 18,157 Mn for the year ended March 31, 2021 primarily due to contract cost capitalisation under Ind AS 115 with effect from October 1, 2020 and reduction in Subscriber Acquisition.

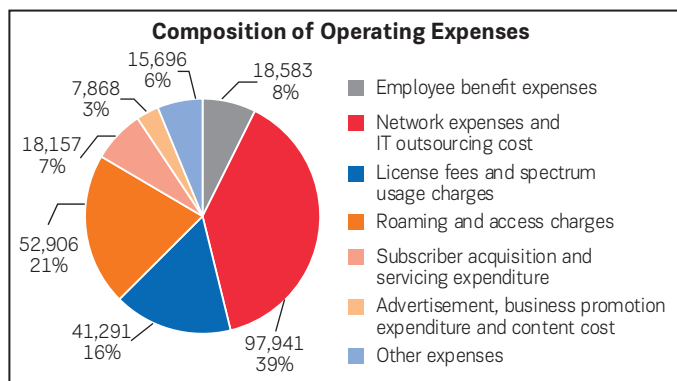
Advertisement, Business Promotion Expenditure and Content Cost:

Advertisement, Business Promotion Expenditure and Content Cost decreased by ₹ 3,839 Mn from ₹ 11,707 Mn for the year ended March 31, 2020 to ₹ 7,868 Mn for the year ended March 31, 2021 primarily due to reduction in Advertisement and Business Promotion Expenditure.

Other Expenses:

Other expenses decreased by ₹ 5,657 Mn from ₹ 21,353 Mn for the year ended March 31, 2020 to ₹ 15,696 Mn for the year ended March 31, 2021 primarily due to reduction in Travelling and Conveyance, Legal and Professional charges and Support Service Charges.

The composition of total operating expenses (amount and %age to total operating expenses) are as follows:



Earning before Finance Charges, Depreciation, Amortisation, Exceptional Items and Taxes (EBITDA)

The EBITDA has increased by ₹ 9,834 Mn from ₹ 157,035 Mn for Financial Year ended March 31, 2020 to ₹ 166,869 Mn for Financial Year ended March 31, 2021. EBITDA as a percentage of total income increased to 39.8% compared to 34.3% for Financial Year ended March 31, 2020.

Depreciation, Amortisation and Finance Charges

Depreciation and Amortisation expenses decreased by ₹ 9,826 Mn from ₹ 238,888 Mn for Financial Year ended March 31, 2020 to ₹ 229,062 Mn for Financial Year ended March 31, 2021.

The depreciation charge for the year has decreased by ₹ 9,808 Mn from ₹ 147,902 Mn for Financial Year ended March 31, 2020 to ₹ 138,094 Mn for Financial Year ended March 31, 2021, primarily as a result of assets impaired and lower one day impact. The amortisation charge for the year has decreased by ₹ 18 Mn from ₹ 90,986 Mn for Financial Year ended March 31, 2020 to ₹ 90,968 Mn for Financial Year ended March 31, 2021, primarily as a result of lower one day impact offset by change in useful life of Brand.

Finance Charges for Financial Year ended March 31, 2021 increased by ₹ 26,144 Mn from ₹ 153,772 Mn to ₹ 179,916 Mn, primarily due to increase in interest on deferred payment obligation pursuant to AGR judgement during the year by ₹ 33,705 Mn and increase in interest on deferred payment liability towards spectrum due to availment of moratorium by approximately ₹ 7,000 Mn partially offset by decrease in forex loss by ₹ 10,054 Mn and decrease in interest on lease liability by ₹ 5,342 Mn.

Exceptional Items

Exceptional Items for the year ended March 31, 2021 amounting to ₹ 221,036 Mn comprises of (i) charge towards AGR matters ₹ 194,405 Mn, (ii) integration and merger related costs ₹ 9,907 Mn, (iii) accelerated depreciation/impairment of assets on account of network re-alignment/re-farming ₹ 5,716 Mn, (iv) One Time Spectrum Charges ₹ 5,027 Mn, (v) provision for impairment towards its loan receivable/investment in subsidiaries/associate ₹ 10 Mn, (vi) Impairment of Brand ₹ 7,246 Mn, (vii) Loss on sale of stake in Indus ₹ 170 Mn, (viii) Gain due to cancellation of lease contract on network re-alignment ₹ 1,696 Mn and (ix) others ₹ 251 Mn.

Profits and Taxes

The loss before tax for the year ended March 31, 2021 stood at ₹ 463,145 Mn as compared to a loss of ₹ 622,867 Mn

for Financial Year ended March 31, 2020. The loss after tax for Financial Year ended March 31, 2021 stood at ₹ 462,937 Mn as compared to a loss of ₹ 731,315 Mn for Financial Year ended March 31, 2020.

Capital Expenditure

During the Financial Year 2020-21, the capital expenditure (including capital advances and excluding RoU assets and Spectrum) incurred was ₹ 36,244 Mn. Further to the above, the Company has incurred ₹ 3,552 Mn towards Bandwidth and ₹ 5,747 Mn paid towards the upfront payment for the unassigned spectrum.

Balance Sheet

The Gross Block and Net Block (including Capital Work in Progress and Intangible Assets under development) stood at ₹ 2,763,252 Mn and ₹ 1,627,625 Mn respectively as at March 31, 2021. Investment in subsidiaries, joint ventures and associate stood at ₹ 2,885 Mn (net of provision for impairment) primarily due to sale of stake in Indus. Other financial assets decreased by ₹ 43,529 Mn from ₹ 219,437 Mn to ₹ 175,908 Mn primarily due to reduction in Settlement Asset, Current Investment, Deposits and Balances with Government Authorities, Trade Receivables, Bank Balance other than Cash and Cash Equivalents. Other Assets increased by ₹ 10,659 Mn from ₹ 214,237 Mn to ₹ 224,896 Mn primarily due to increase in Capital advances, GST recoverable and Costs to obtain a contract with the customer which is offset by reduction in Advance tax.

Other equity of the Company decreased from ₹ (197,341) Mn for Financial Year ended March 31, 2020 to ₹ (664,430) Mn for Financial Year ended March 31, 2021 mainly due to loss during the year ₹ 462,937 Mn. As on March 31, 2021, the total equity stood at ₹ (377,076) Mn as compared to the total equity of ₹ 90,013 Mn for Financial Year ended March 31, 2020.

Total borrowings increased by ₹ 652,658 Mn and stood at ₹ 1,803,833 Mn as on March 31, 2021 primarily due to re-classification of AGR liability from Other Liabilities and Provisions to borrowing, annual accrued interest addition on spectrum obligation which is offset by loan repayment during the year. Other financial liabilities decreased by ₹ 41,846 Mn and stood at ₹ 540,385 Mn for Financial Year ended March 31, 2021 primarily due to decrease in lease liabilities by ₹ 54,659 Mn, decrease in payables for capital expenditure by ₹ 6,577 Mn from ₹ 88,581 Mn for Financial Year ended March 31, 2020 to ₹ 82,004 Mn for Financial Year ended March 31, 2021, decrease in Security deposits from customers and others by ₹ 421 Mn from ₹ 3,700 Mn for Financial Year ended March 31, 2020 to

₹ 3,279 Mn for Financial Year ended March 31, 2021 and decrease in Unpaid dividend by ₹ 1 Mn, which is partially offset by an increase in trade payables by ₹ 11,473 Mn from ₹ 121,460 Mn for Financial Year ended March 31, 2020 to ₹ 132,933 Mn for Financial Year ended March 31, 2021, an increase in accrual towards One Time Spectrum Charges (OTSC) by ₹ 5,027 Mn, an increase in interest accrued but not due on borrowings by ₹ 2,872 Mn from ₹ 61,085 Mn for Financial Year ended March 31, 2020 to ₹ 63,957 Mn for Financial Year ended March 31, 2021 and an increase in Derivative liabilities by ₹ 440 Mn.

Other Liabilities and Provisions decreased by ₹ 401,272 Mn from ₹ 465,444 Mn to ₹ 64,172 Mn as on March 31, 2021 mainly due to reclassification of AGR liability to borrowing.

Cash Flow Statement

The cash generated from operations of ₹ 151,257 Mn (net of ₹ 10,000 Mn paid towards the AGR matter), cash realized on sale of current investments amounting to ₹ 37,472 Mn, proceeds of short term investment in fixed deposits amounting to ₹ 16,498 Mn, Net sale of current investments amounting to ₹ 4,952 Mn, Repayment of loan given to subsidiary amounting to ₹ 2,856 Mn, interest received of ₹ 1,763 Mn, and Dividend received from Indus ₹ 1,115 Mn was primarily used for, net repayment of lease liabilities and borrowings of ₹ 139,439 Mn, payment towards capital expenditure (net of sale proceeds) ₹ 43,210 Mn, payment of interest and finance charges ₹ 28,299 Mn, Payment towards Spectrum and Licenses - Upfront payment of ₹ 5,747 Mn. Consequently, cash and cash equivalents as at March 31, 2021 stood at ₹ 2,402 Mn.

CONSOLIDATED FINANCIAL RESULTS

Revenues

Revenue from operations for the Financial Year ended March 31, 2021 decreased by ₹ 30,053 Mn and stood at ₹ 419,522 Mn for Financial Year ended March 31, 2021 as compared to ₹ 449,575 Mn for Financial Year ended March 31, 2020, primarily due to decrease in IUC rates effective January 1, 2021 and reduction in Postpaid Revenue.

Other Income comprising of Interest Income, Gain on investments in mutual funds and others stood at ₹ 1,742 Mn for Financial Year ended March 31, 2021 as compared to ₹ 10,393 Mn for Financial Year ended March 31, 2020. The decrease is mainly on account of decrease in interest income amounting to ₹ 6,143 Mn, decrease in gain on investment in mutual funds by ₹ 2,479 Mn and decrease in others by ₹ 29 Mn.

Operating Expenses

Total operating expenditure for the Financial Year ended March 31, 2021 decreased by ₹ 50,385 Mn to ₹ 250,065 Mn from ₹ 300,450 Mn incurred for Financial Year ended March 31, 2020.

Employee Benefit Expenses: Employee benefit expenses for the Financial Year ended March 31, 2021 decreased by ₹ 1,343 Mn to ₹ 20,300 Mn from ₹ 21,643 Mn incurred for Financial Year ended March 31, 2020 due to reduction in head count.

Network Expense and IT Outsourcing Cost: Network Expense and IT Outsourcing Cost decreased by ₹ 13,978 Mn from ₹ 109,916 Mn for the year ended March 31, 2020 to ₹ 95,938 Mn for the year ended March 31, 2021 primarily due to decrease in power and fuel expenses, repairs and maintenance-plant and machinery expenses and IT outsourcing expenses to ₹ 55,385 Mn, ₹ 25,407 Mn and ₹ 7,650 Mn for the year ended March 31, 2021 from ₹ 60,842 Mn, ₹ 28,236 Mn and ₹ 11,343 Mn for the year ended March 31, 2020 respectively.

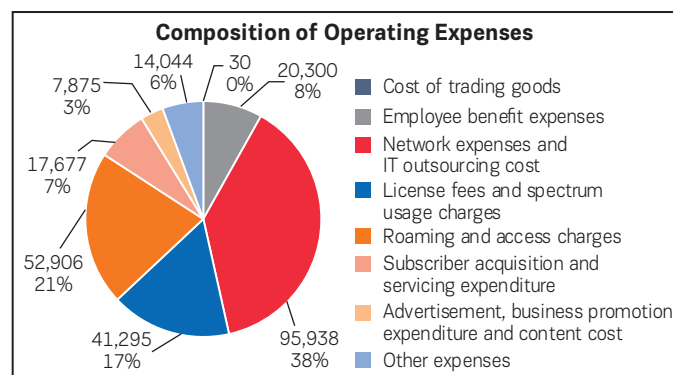
License Fees and Spectrum Usage Charges & Roaming and Access Charges: The increase in these expenses are specified under the Standalone Financial Results section.

Subscriber Acquisition and Servicing Expenditure: Subscriber Acquisition and Servicing Expenditure, decreased by ₹ 11,622 Mn from ₹ 29,299 Mn for Financial Year ended March 31, 2020 to ₹ 17,677 Mn for Financial Year ended March 31, 2021 primarily due to contract cost capitalisation under Ind AS 115 with effect from October 1, 2020 and reduction in Subscriber Acquisition.

Advertisement, Business Promotion Expenditure and Content Cost: Advertisement, Business Promotion Expenditure and Content Cost decreased by ₹ 3,899 Mn from ₹ 11,774 Mn for Financial Year ended March 31, 2020 to ₹ 7,875 Mn for Financial Year ended March 31, 2021 primarily due to reduction in Advertisement and Business Promotion Expenditure.

Other Expenses: Other expenses decreased by ₹ 5,277 Mn from ₹ 19,321 Mn for Financial Year ended March 31, 2020 to ₹ 14,044 Mn for Financial Year ended March 31, 2021 primarily due to reduction in Travelling and conveyance, Legal and professional charges and Support service charges.

The composition of total operating expenses (amount and %age to total operating expenses) are as follows:



Earning before Finance Costs, Depreciation, Amortisation, Exceptional Items and Taxes (EBITDA)

The EBITDA has increased by ₹ 11,681 Mn from ₹ 159,518 Mn for Financial Year ended March 31, 2020 to ₹ 171,199 Mn for Financial Year ended March 31, 2021. EBITDA as a percentage of total income increased to 40.6% compared to 34.7% for Financial Year ended March 31, 2020.

Depreciation, Amortisation and Finance Charges

Depreciation and Amortisation expenses decreased by ₹ 7,179 Mn from ₹ 243,564 Mn for Financial Year ended March 31, 2020 to ₹ 236,385 Mn for Financial Year ended March 31, 2021. The depreciation charge for the year has decreased by ₹ 7,067 Mn from ₹ 152,080 Mn for Financial Year ended March 31, 2020 to ₹ 145,013 Mn for Financial Year ended March 31, 2021, primarily as a result of assets impaired and lower one day impact. The amortisation charge for the year has decreased by ₹ 112 Mn from ₹ 91,484 Mn for Financial Year ended March 31, 2020 to ₹ 91,372 Mn for Financial Year ended March 31, 2021, primarily as a result of lower one day impact off set by change in useful life of Brand.

Finance Charges for Financial Year ended March 31, 2021 increased by ₹ 26,061 Mn from ₹ 153,920 Mn to ₹ 179,981 Mn, primarily due to increase in interest on deferred payment obligation pursuant to AGR judgement during the year by ₹ 33,763 Mn and increase in interest on deferred payment liability towards spectrum due to availment of moratorium by approximately ₹ 7,000 Mn partially offset by decrease in forex loss by ₹ 10,095 Mn and decrease in interest on lease liability by ₹ 5,346 Mn.

Exceptional Items

Exceptional Items for the year ended March 31, 2021 amounting to ₹ 199,681 Mn comprises of (i) charge towards AGR matters ₹ 194,405 Mn, (ii) integration and merger related costs ₹ 9,892 Mn, (iii) Gain due to cancellation

of lease contract on network re-alignment ₹ 1,696 Mn (iv) accelerated depreciation/impairment of assets on account of network re-alignment/re-farming ₹ 5,745 Mn, (v) One Time Spectrum Charges ₹ 5,027 Mn, (vi) Impairment of Brand ₹ 7,246 Mn, (vii) Gain on sale of stake in Indus ₹ 21,189 Mn and (viii) others ₹ 251 Mn.

Profits and Taxes

The loss before tax for the Financial Year ended March 31, 2021 stood at ₹ 442,534 Mn as compared to a loss of ₹ 617,970 Mn for Financial Year ended March 31, 2020. The loss after tax for Financial Year ended March 31, 2021 stood at ₹ 442,331 Mn as compared to a loss of ₹ 738,781 Mn for Financial Year ended March 31, 2020.

Capital Expenditure

During the Financial Year 2020-21, the capital expenditure (including capital advances and excluding RoU assets and Spectrum) incurred was ₹ 37,981 Mn. Further to the above, the Company has incurred ₹ 3,552 Mn towards Bandwidth and ₹ 5,747 Mn towards the upfront payment for the unassigned spectrum.

Balance Sheet

The Gross and Net Block (including Capital Work in Progress and Intangible assets under development) stood at ₹ 2,854,045 Mn and ₹ 1,680,963 Mn respectively. Investment in joint venture and associate stood at ₹ 41 Mn (net of provision for impairment) primarily due to sale of stake in Indus. Other financial assets decreased by ₹ 40,938 Mn from ₹ 167,622 Mn to ₹ 126,684 Mn primarily due to reduction in settlement asset, Current Investment, Deposits and balances with government authorities, Trade Receivables, Bank Balance other than Cash and Cash Equivalents. Other Assets increased by ₹ 9,878 Mn from ₹ 216,564 Mn to ₹ 226,442 Mn primarily due to increase in Capital advances, GST recoverable and Costs to obtain a contract with the customer which is offset by reduction in advance tax.

Other equity of the Company decreased from ₹ (227,555) Mn for Financial Year ended March 31, 2020 to ₹ (669,634) Mn for Financial Year ended March 31, 2021 mainly due to loss during the year ₹ 442,331 Mn. As on March 31, 2021, the total equity stood at ₹ (382,280) Mn as compared to the total equity of ₹ 59,799 Mn for Financial Year ended March 31, 2020.

Total borrowings increased by ₹ 653,148 Mn and stood at ₹ 1,803,103 Mn as on March 31, 2021 primarily due to re-classification of AGR liability from Other Liabilities and Provision, annual accrued interest addition on spectrum obligation which is offset by loan repayment during the year. Other financial liabilities decreased by ₹ 43,996 Mn and stood at ₹ 544,715 Mn for Financial Year ended March

31, 2021 primarily due to decrease in lease liabilities by ₹ 54,693 Mn, decrease in payables for capital expenditure from ₹ 91,205 Mn for Financial Year ended March 31, 2020 to ₹ 84,224 Mn for Financial Year ended March 31, 2021, decrease in Security deposits from customers and others from ₹ 4,426 Mn for Financial Year ended March 31, 2020 to ₹ 4,074 Mn for Financial Year ended March 31, 2021 and decrease in Unpaid dividend by ₹ 1 Mn which is partially offset by an increase in trade payables by ₹ 9,693 Mn from ₹ 124,332 Mn for Financial Year ended March 31, 2020 to ₹ 134,025 Mn for Financial Year ended March 31, 2021, an increase in accrual towards One Time Spectrum Charges (OTSC) by ₹ 5,027 Mn, an increase in interest accrued but not due on borrowings by ₹ 2,871 Mn from ₹ 61,081 Mn for Financial Year ended March 31, 2020 to ₹ 63,952 Mn for Financial Year ended March 31, 2021 and an increase in Derivative liabilities by ₹ 440 Mn.

Other Liabilities and Provisions decreased by ₹ 401,447 Mn from ₹ 470,693 Mn for Financial Year ended March 31, 2020 to ₹ 69,246 Mn as on March 31, 2021 mainly due to reclassification of AGR liability to borrowings. Deferred Tax Liabilities as at March 31, 2021 stood at ₹ 22 Mn as compared to ₹ 38 Mn as at March 31, 2020.

Cash Flow Statement

The cash generated from operations of ₹ 156,397 Mn (net of ₹ 10,000 Mn paid towards the AGR matter), cash realized on sale of current investments amounting to ₹ 37,472 Mn, proceeds of short term investment in fixed deposits amounting to ₹ 16,477 Mn, Net sale of current investments amounting to ₹ 4,952 Mn, interest received of ₹ 1,797 Mn, and Dividend received from Indus ₹ 1,115 Mn was primarily used for net repayment of lease liabilities and borrowings of ₹ 139,058 Mn, payment towards capital expenditure (net of sale proceeds) ₹ 45,315 Mn, payment of interest and finance charges ₹ 28,256 Mn, Payment towards Spectrum and Licenses - Upfront payment of ₹ 5,747 Mn. Consequently, Cash and Cash Equivalents as at March 31, 2021 stood at ₹ 3,503 Mn.

Human Resource Management

Your Company's people architecture has been built on the principles of being a consumer centric Company with technology as the bedrock. The organization has equipped itself for high change agility, has embedded trust at the foundation of its people agenda, and has adopted digital as the fit port of call for all solution building.

Health & Safety and Pandemic care

At VIL, Health, Safety and Wellbeing (HSW) are not just priority, these are our core values. We are committed to "not doing business by putting people at risk". Safety and

wellbeing of our employees and our partners have been of paramount focus for us in this unprecedented year of the pandemic. Significant efforts were made in educating and raising awareness around COVID appropriate behaviours along with providing necessary support for employees who were impacted due to the infection. One of the campaigns that was well appreciated was the 100SMS initiative. The campaign brought together the importance of us being 1 united team which will reflect 0 tolerance and 0 complacency to adherence of COVID appropriate behaviours like Social Distancing, Masking Up and Sanitising Hands regularly.

The safety of our frontline teams have been of particular focus for us. We have followed a cautious approach to opening our offices and geography specific decisions were taken keeping the ground realities in mind. Office attendance was staggered with only 20-25% daily attendance and with strict safety and hygiene precautions in place. This has helped us in safeguarding our team members and providing them with reassurance.

With regards to our Absolute Safety Rules and standards we continue to walk the talk on our promise. Site Inspections based on HSW Checklists along with a robust governance mechanism of our leading indicators have helped us achieve substantial improvement in our lagging indicators. Ensuring high standards in Road Safety is one of the major challenges in our business. Under the BSAFE program, we have been able to complete refresher defensive driving training program for 95% of our frontline distribution teams. We have also completed 100% validation of driving licences for the heavy vehicles used by our vendor partners for the inward and outward movement of VIL material and this has resulted in identification and blocking of drivers with fake driving licences. These initiatives have helped us reduce our vehicle deviation count by 70%. We have also created a program for virtual audits of installations considering that we are not able to undertake physical visits in these times.

Inclusion

At Vodafone Idea, we realize that Diversity and Inclusion at the workplace helps foster an open and healthy work environment and is critical to our business strategy. We believe Women at various management levels bring plurality, diverse thinking, varied leadership styles and values. To build a diverse internal team we need to focus on creating a supportive ecosystem to hire, engage and retain women talent.

The pandemic and subsequent work from home saw our women colleagues experience the impact of double burden of managing work and home responsibilities. Our constant connect with our women colleagues through small group discussions and pulse surveys, sensitisation workshops on

work from home ways of working with managers and leaders allowed us to build a larger appreciation of the challenges and offer comfort to our women colleagues to shoulder various demands and be effective at work.

Enhancing women proportion in the organization continues to be our focus area. We focus on closely tracking the proportion of women in our external hiring initiatives. In order to create a Company culture with leadership commitment towards gender inclusion, we have also introduced capability enhancement for women, gender sensitization workshops and employee assistance programs. As a part of our care initiative, we have specifically focused on maternity and return from maternity as important events in the life cycle of a woman employee. We have put in place an Employee Assistance Program (EAP) to provide timely support to our women colleagues during maternity and ensuring a smooth transition back to work for our returning mothers.

Inclusion and inclusive culture goes beyond our agenda on women participation in our workforce. We consciously try to build an ecosystem and policy infrastructure that recognizes, enables and assures fair treatment to people with alternate sexual preferences.

Organisation Transformation

We are constantly evaluating our operating models to make them relevant, future fit, and lean. This year, we have successfully aggregated our 18 circle management teams into 10 clusters along with creation of central process factories to further improve our efficiency and quality of service. The transformation has helped us make our ways of working more contemporary and competitive, provide more enriching roles and career progression opportunities to our employees and position us in line with our ambitions of becoming a Techco.

Talent Management, Learning & Development

At Vodafone Idea we want to create Talent as a competitive differentiator. Building a Talent landscape that is fit-for-Purpose & sets the stage for the future are important imperatives to deliver the competitive advantage. Another important aspect of our talent philosophy is to provide well-orchestrated and meaningful career opportunities for our employees. We have been able to establish our Internal Job Posting (IJP) platform as the first port of call for employees exploring career advancement opportunities. 58% of the total vacancies were closed through the IJP process and through the various internal talent moves, we have been able to promote 8% of our employees into bigger roles and responsibilities.

Given the pandemic situation our learning delivery models have had to be transformed to virtual / digital modes. All our skill upgradation initiatives were now delivered over digital

platforms so that all employees can access the programs from anywhere and learn at their own pace and time. Our Digital mode of training has delivered 87,539 total training hours which is approximately 8 hours per learner.

We undertook three approaches to deliver the digital learning & development agenda:

- Our Vi Learning App was leveraged to deliver some key programs around sensitization of Vi competencies, our Performance Management Framework through a gamified approach.
- “My Learning” (our LMS) was launched in Q1 to enable and skill employees on specific business critical areas. 7,541 learners have benefited from the My Learning platform.
- Virtual Instructor Led Training programs covering key skills and competencies like Customer Experience Excellence, Winning Mind-sets, Learning Agility and other such programs helped cover 4,362 employees with a total investment of 19,385 training hours.

Risk Management

The Risk Management framework of your Company ensures regular review by management to proactively identify the emerging risks, to do risk evaluation and risk prioritization along with development of risk mitigation plans and action taken to minimize the impact of the risk. The framework requires that the Risk Management Committee be periodically informed about risk minimization procedures adopted by your Company. These processes are also periodically reviewed by management. The various risks, including the risks related to the economy, regulation, competition, technology etc., are documented, monitored and managed efficiently.

Regulatory

Major regulatory developments for the period are:

1. Spectrum Auction

On January 06, 2021 DoT issued a NIA (Notice Inviting Applications) for Auction of Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands. VIL had submitted its application for participation in auction on February 09, 2021. The spectrum auction concluded on March 02, 2021. VIL won 5 MHz in Tamilnadu and 0.8 MHz spectrum in West Bengal in 900 MHz spectrum band and 4 MHz in Karnataka, 1.4 MHz in UP-East and 0.6 MHz in UP-West in 1800 MHz band.

The spectrum won by VIL will be made available by DoT on different dates hence, the upfront payment needs to be made in 2 stages. The obligation related to first upfront payment has been fulfilled by VIL and the obligation related

to second upfront payment will be required to be fulfilled in August / September 2021 as per effective date of use of spectrum. VIL has submitted Bank Guarantees towards the annual deferred payment installment.

2. Integration – Location Routing Number (LRN)

On 20th November 2020, DoT has extended the timeline for overall network integration and single LRN from existing timeline of 31st August 2020 to 31st December 2020. Due to complexities the activity including current pandemic situations, VIL has approached DoT seeking additional time till 30th September 2021, on which a written response from DoT is awaited.

3. Minimum Roll-out Obligations (MRO)

On 18th June 2020 & 12th November 2020, DoT has issued clarifications over VIL letter that roll-out done under 900 MHz / 1800 MHz or 2100 MHz, will be valid for roll-out obligations of 2300 MHz. Basis this clarification, VIL has got its roll-out completely validated and approved for 2300 MHz and 2500 MHz (won in 2016 auction) on the basis of roll-out done in 900 MHz / 1800 MHz or 2100 MHz, in 8 circles and partially validated and approved in 10 circles and rest is work in progress.

4. Microwave

Vodafone Idea is making the quarterly payment of Microwave (MW) charges as per the DoT 2006/2008 order in compliance to the Hon'ble Supreme Court order dated November 08, 2019. In compliance to the above Supreme Court order, Vodafone Idea has requested DoT for adjusting our excess bank guarantees worth ₹ 8,643 Mn towards the MW differential charges – already paid and to be paid (paid as per DoT 2002 order on MW charges).

Consequent to the non-signing of DoT proposed 2015 MW frequency agreement in 16 LSAs, DoT is not allowing/ issuing Import Licenses for import of Microwave equipment leading to delay in network expansion and impacting the overall Customer Service Experience.

5. Bank Guarantee

As per license condition which intra-alia required VIL to submit Financial Bank Guarantee equivalent to the revenue share of two quarters and enhance by 10%. These Bank Guarantees subsequently needs to be renewed by VIL from time to time. In line with its revenue share, VIL has requested DoT to perform the downward revision of the Financial Bank Guarantee which will allow us the reduction in the existing Bank Guarantees amount available with the DoT.

VIL has sent representations to the DoT to release Performance Bank Guarantees wherever the roll-out obligations have been fulfilled by VIL as per the relevant NIAs conditions.

6. Domestic Mobile Call Termination rates

On 17th December, 2019, Telecom Regulatory Authority of India ("TRAI") had issued the IUC regulation (15th amendment) vide which the Domestic Mobile Call Termination rates (Domestic MTR) were to continue at ₹ 0.06 per minute till 31st December, 2020 and it would be reduced to ₹ 0.00 per minute w.e.f. 1st January, 2021.

This reduction of Domestic call termination charges to ₹ 0.00 per minute has taken effect from 1st January, 2021.

7. International Call Termination charges

On 17th April, 2020, TRAI has issued the Telecommunication Interconnection Usage Charges (16th Amendment Regulations, vide which International Termination Charges (ITC) was raised from ₹ 0.30 per minute to a floor of ₹ 0.35 per minute and ceiling of ₹ 0.65 per minute, in a non-discriminatory manner, effective 1st May, 2020.

The said increased ITC has been implemented effective 1st May, 2020.

Vodafone & Idea's Petition in Bombay High Court challenging the Telecommunication Interconnection Usage Charges (14th Amendment) Regulations, dated 12th January, 2018 (vide which ITC was reduced from ₹ 0.53/minute to ₹ 0.30/minute), is pending.

8. Unsolicited Commercial Communications

On 19th July, 2018 TRAI has issued the Telecom Commercial Communications Customer Preference Regulations, to curb the menace of Unsolicited Commercial Communications (UCC), through platforms based on Distributed Ledger Technology (DLT).

During FY 2020-21, on DLT platform various scrubbing of live traffic with registered information have been implemented viz. SMS header scrubbing, customer preference scrubbing and content templates. In March'21, TRAI directed all TSPs to roll-back content scrubbing, owing to significant traffic failure emanating from low preparedness of Principal Entities. Thereafter, content scrubbing was implemented during midnight of 31st March-1st April 2021.

9. Tariffs offered to segment(s) of consumers

On 3rd April, 2019 TRAI had issued a direction to furnish details of all segmented offers from April'18 to March'19 and on monthly basis thereafter. VIL started providing the details which included the count of segmented offers, on which TRAI asked for detailed information.

On 6th November, 2020, Hon'ble Supreme Court issued order directing telecom service providers (TSPs) to provide information as sought by TRAI vide its direction dated 3rd April 2019, with the information to be kept confidential

by TRAI. TRAI sought information for January 2020 to November 2020 and thereafter, on monthly basis. The said information is being provided to TRAI.

10. Floor Tariff

On 17th December, 2019, TRAI had floated a consultation paper on Tariff issues of Telecom services which inter-alia included consultation on fixation of floor tariff. All private operators through the industry association COAI, have requested floor pricing implementation for Data, in September/October 2020. The consultation has not been concluded as yet.

11. OTSC matter

VIL has filed an appeal in Hon'ble Supreme Court against TDSAT Judgment dated 4th July 2019, which was dismissed by the Hon'ble Supreme Court vide its order dated 16th March 2020. A review petition was filed by VIL in November'20, against this Hon'ble Supreme Court order dated 16th March 2020. The review petition was listed on 23rd February 2021 for in chamber consideration. Order on Review Petition has not been pronounced yet.

12. AGR matter

Application filed by VIL in AGR matter in Hon'ble Supreme Court on 7th January 2021, to seek modification of the Hon'ble Supreme Court Order dated 1st September, 2020, to clarify that it does not bar DoT from considering submissions of VIL on manifest errors.

The modification application has been dismissed by the Hon'ble Supreme Court on 23rd July, 2021. Subsequently, on 10th August, 2021, your Company has filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application again.

13. Data Protection

Based on Justice B.N Srikrishna Committee report on personal data protection framework for India along with a Draft Personal Data Protection Bill (2018), the Government of India introduced a Personal Data Protection Bill 2019 (PDPB) in the lower house of Parliament (Lok Sabha) in December 2019. The PDPB (2019) has been referred to a Joint Parliamentary Committee formed by the Lok Sabha for further deliberation, the outcome of which is awaited.

In July 2020, a Committee of experts submitted its report on Non-Personal Data (NPD) governance framework. The report recommended mandatory sharing of raw/factual data with any entity at no remuneration. In December 2020, a revised report was issued by the Committee which recommended mandatory sharing of High Value Data (HVD) based on reasonable compensation. The final version of this

report is awaited which will be submitted by the concerned Ministry to the Government of India, for further deliberation.

14. Intermediary Rules and Guidelines

The Government of India notified the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 on 25th February, 2021. These Rules broadly require that the intermediaries follow certain due diligence as prescribed and are required to publish privacy policy, Rules and Regulations and terms and conditions. They are also expected to remove any unlawful content as and when brought to their knowledge either through a court order or through a notice by appropriate government or its agency or suo moto. Also, where an intermediary collects information from a user for registration on the computer resource, it shall retain this information for a period of one hundred and eighty days after any cancellation or withdrawal of his registration.

15. National Security Directive

Considering the security concerns and for protection of India's essential national security interests, the Cabinet has approved a framework by issuing the National Security Directive on Telecom Sector in January 2021. The applicability of this directive is from 15th June, 2021. The operations arm of the National Security Council Secretariat will be called Trusted Telecom Cell who will interact with TSPs and Equipment Vendors on a day to day basis.

The key stated purpose is Supply Chain Security – discourage insecure equipment in the Network. Government will declare a list of “Trusted Sources/Trusted Products”. An equipment with acceptable percentage of secured content will be treated as a Trusted Product. Secured content in an equipment would be the content sourced from trusted sources. Modifications in the license conditions for the implementation of the provisions of the Directive have been made. A portal has been put in place for upload of applications by TSPs and equipment vendors.

In the interim period WPC/DoT has stopped issuing import License of Certain Sources/ Equipment. Company has requested DoT/ WPC to expedite the same as it is impacting capacity expansion and roll out.

Opportunities, Risks, Concerns and Threats

The prevalent hyper-competition over the last few years has led the Indian mobile industry to consolidate from 8-10 operators to an optimal structure of three private operators and one government operator. All the existing private operators have made significant investments towards expanding broadband network across the country. Due to lack of adequate infrastructure, the growth of wired internet has been restricted to major cities as a result of which

wireless remains the preferred means of connecting to the internet. The increasing broadband coverage and low priced 4G services have led to massive spurt in broadband users. India has thus witnessed an impressive growth in wireless broadband subscriber (>512 kbps), up from 258 million in March 2017 to 755 million in March 2021.

In addition, there is significant headroom for wireless broadband penetration (as a percentage of overall subscriber base) to improve further from 64% as of March 2021 (Source: TRAI), as rest of India goes online. The growth in social media usage, rapidly increasing content consumption and many organizations gradually transitioning to 'Work from Home' will continue to drive demand for broadband services. Your Company holds competitive spectrum footprint across circles, significant network investments and customer affinity to its unified brand 'Vi', and is thus fully equipped to benefit from these trends and has been aggressively expanding its broadband network across the length and breadth of the country.

Your Company has several ongoing litigations and any adverse determination of these remains a risk. Your Company works with various local, state and central government agencies for specific permissions to operate its mobile licenses and is required to meet various regulatory/policy guidelines of the DoT and may be subjected to various regulatory demands, penalties/fines or increased cost of compliance. Your Company makes best effort to adhere to all such requirements. On 1st September, 2020 Hon'ble Supreme Court passed the judgement on AGR to make the payment of 10% of the total dues as demanded by DoT by 31st March, 2021 and thereafter make payments in yearly instalments commencing from 1st April, 2021 to 31st March, 2031 payable by March 31 of every succeeding Financial Year. The next instalment payable by the Company is due by 31st March, 2022. Following the judgement, your Company had filed a modification application seeking corrections in computational errors and admissible pass through deductions, which has been dismissed by the Hon'ble Supreme Court on 23rd July, 2021. Subsequently, on 10th August, 2021, your Company has filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application again. Adverse judgement on AGR corrections being sought or other ongoing litigations could have a material adverse impact on your Company. Meanwhile, your Company believes in sound corporate governance practices and believes that these litigations would be settled in due course in the best interest of all stakeholders.

The telecom sector is characterized by technological changes and competition from new technologies is an inherent threat. Your Company has a strong spectrum portfolio and robust network footprint and continues to

invest in the new emerging network solutions to adapt to any future technological changes. Your Company has been deploying an array of 5G concepts and technologies such as Massive MIMO, DSR, Open RAN, Cloudification of core and edge cloud/deployment.

Your Company's business is dependent on key Network and IT equipment suppliers for management and continuity of its Network, IT and business processes. These networks may also be vulnerable to technical failures or any natural calamity. Your Company has robust network & IT security processes and disaster recovery plans. Your Company is in partnership with global leaders in Network equipment and IT services and enjoys very long standing healthy relations with all its suppliers.

There exists material uncertainty relating to your Company's ability to continue as a going concern which is dependent on its ability to raise additional funds as required, successful negotiations with lenders on continued support / additional funding, monetisation of certain assets, outcome of the review petition filed with the Hon'ble Supreme Court and clarity of the next instalment amount, acceptance of its deferment request by DoT and generation of cash flow from operations that it needs to settle / renew its liabilities / guarantees as they fall due.

Outlook

The merger of Vodafone India and Idea Cellular, a partnership between two strong promoters Aditya Birla Group and Vodafone Group, has created one of India's major telecom service provider. After successful completion of Network and IT consolidation, as the last leg of the integration journey, your Company launched the new unified brand **VI** on 7th September, 2020. The new brand leverages on the legacy of two of the most loved brands of the country -

vodafone and **idea**, which have brand saliency established over decades. The brand has already garnered strong awareness and will continue to build brand affinity across all customer segments in the country.

Going forward, your Company will continue its journey of becoming a truly integrated digital service provider through its several strategic initiatives. Your Company will continue to make significant investments for expanding 4G coverage and capacity especially in its 16 priority circles. Your Company will continue to focus on improving ARPU by driving UL/4G penetration. Your Company will focus on digitalization of customer servicing as well as distribution channels aimed at providing the best of customer experience to retail and enterprise customers. In Business Services, your Company will increasingly focus on new and fast growing segments such as Cloud services and IoT. To further drive the digital agenda, your Company will look for deeper integration opportunities with its partners using its platform capabilities to provide a differentiated telco++ experience and value for partners as well as customers. Your Company will look to scale up its digital and content offerings with the intent of monetization. Lastly, your Company will strive to fully realize its targeted ₹ 40 billion annualised opex savings and further drive organizational efficiency. All these initiatives will help in creating an agile and future-fit organization.

As the world faces unprecedented challenges due to COVID-19 pandemic, your Company's high quality network remains the backbone to the digital infrastructure of the Company, as the country adopted new ways of working and connecting. Your Company has remained committed to providing uninterrupted services to all its customers. As a socially responsible corporate, it will continue to extend support to the country during these extremely challenging times.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may constitute a "forward-looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic markets in which the Company operates, changes in the Government Regulations, tax laws and other statutes and other incidental factors.

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

Corporate Governance refers to mechanisms, processes and relations by which corporations are controlled and directed. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices. Corporate Governance essentially involves balancing the interests of Company's Stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community.

Corporate Governance has always been intrinsic to the management of the business and affairs of our Company. Given the market and regulatory movements, the Company has continued to inculcate, imbibe and perpetuate governance tenets. Corporate Governance in VIL is a reflection of principles entrenched in our values and policies, leading to value driven growth. At VIL ensuring fairness, transparency and accountability across all business processes is of utmost importance. We believe that good governance practices stem from the culture and mindset of the organization. While making business decisions our objective is to meet stakeholders' interest and societal expectations. We at VIL are committed in fostering and sustaining a culture that integrates all components of good governance and demonstrates highest standard of ethical and responsible business conduct. Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time [hereinafter referred to as 'Listing Regulations'], the details of which for the Financial Year ended March 31, 2020 is as set out hereunder:

1. BOARD OF DIRECTORS

An active, informed and independent Board is a pre-requisite for strong and effective Corporate Governance. The Board plays

The Composition of the Board of Directors and the number of Directorships and Committee positions held by them as on March 31, 2021 are as under:

Name of Director	Category	No. of Outside Directorship(s) Held ¹	Outside Committee Positions Held ²		Details of other listed companies in which Director is part of the Board and Category of Directorship
		Public	Member	Chairman/ Chairperson	
Mr. Kumar Mangalam Birla	Non-Executive Chairman	9	-	-	<ol style="list-style-type: none"> Grasim Industries Ltd. (Non-Executive Director) Hindalco Industries Ltd. (Non-Executive Director) UltraTech Cement Ltd. (Non-Executive Director) Century Textiles and Industries Ltd. (Non-Executive Director) Aditya Birla Capital Ltd. (Non-Executive Director) Aditya Birla Fashion & Retail Ltd. (Non-Executive Director)

a crucial role in overseeing how the management safeguards the interests of all the stakeholders. The Board ensures that the Company has clear goals aligned to the shareholders' value and growth. The Board critically evaluates strategic direction of the Company and exercises appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large. The Board is duly supported by the Management in ensuring effective functioning of the Company.

Composition of the Board

The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the Listing Regulations. Your Company's Board represents a confluence of experience and expertise from diverse areas of technology, banking, telecommunication, general management and entrepreneurship. It reflects a judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

As on March 31, 2021, the Board comprised of twelve members consisting of one Non-Executive Chairman, a Managing Director and Chief Executive Officer, six Independent Directors (including one Independent Woman Director) and four Non-Executive Directors. The composition of the Board reflects the judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

Mr. Thomas Reisten and Mr. Vivek Badrinath, Non-Executive Directors have resigned w.e.f. February 24, 2021. In their place, the Board appointed Mr. Sunil Sood and Mr. Diego Massidda as Additional Directors in the category of Non-Executive Directors. There have been no other changes in the Board of Directors during the year under review.

Name of Director	Category	No. of Outside Directorship(s) Held ¹	Outside Committee Positions Held ²		Details of other listed companies in which Director is part of the Board and Category of Directorship
		Public	Member	Chairman/ Chairperson	
Mr. Ravinder Takkar	Managing Director & Chief Executive Officer	1	-	-	Indus Towers Limited (Non-Executive Director)
Mr. Himanshu Kapania	Non-Executive	3	-	1	Aditya Birla Fashion and Retail Limited (Non-Executive Director)
Mr. D. Bhattacharya	Non-Executive	2	1	-	1. Hindalco Industries Ltd (Non-Executive Director) 2. Nocil Limited (Independent Director)
Mr. Sunil Sood ³	Non-Executive	-	-	-	-
Mr. Diego Massidda ³	Non-Executive	-	-	-	-
Mr. Thomas Reisten ⁴	Non-Executive	1	1	-	Indus Towers Limited (Non-Executive Director)
Mr. Vivek Badrinath ⁴	Non-Executive	-	-	-	-
Mr. Arun Adhikari	Independent	4	3	-	1. Aditya Birla Capital Ltd. (Independent Director) 2. UltraTech Cement Ltd. (Independent Director) 3. Voltas Ltd. (Independent Director)
Mr. Arun Thiagarajan	Independent	3	2	1	1. GE Power India Ltd. (Independent Director) 2. TTK Prestige Ltd. (Independent Director) 3. Grasim Industries Ltd. (Independent Director)
Mr. Ashwani Windlass	Independent	4	-	2	1. Hindustan Media Ventures Ltd. (Independent Director) 2. Jubilant Foodworks Ltd. (Independent Director) 3. Bata India Limited (Independent Director)
Mr. Krishnan Ramachandran	Independent	4	-	-	-
Ms. Neena Gupta	Independent	1	-	-	-
Mr. Suresh Vaswani	Independent	-	-	-	-

^{1.} Directorships held by the Directors as mentioned above, excludes directorships held in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

^{2.} In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees viz. Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.

^{3.} Appointed as Non-Executive Director(s) w.e.f. February 24, 2021

^{4.} Resigned from the Board of the Company w.e.f. February 24, 2021

The Board periodically evaluates the need for change in its size and composition to ensure that it remains aligned with statutory and business requirements. Also, in the event of any cessations, the Company ensures that the composition is fulfilled within stipulated time.

None of the Director(s) on the Board holds directorship in more than ten public limited companies. Further, none of the Independent Directors serves as an Independent Director in more than seven listed companies. Further, none of the Director is a member of more than ten Committees or Chairman of more than five Committees, across all the Companies in which he/she is a Director.

None of the Directors are related to each other. The Company has issued the formal letter of appointment to all the Independent Directors as prescribed under the provisions of the Companies Act, 2013 and the terms and conditions of their appointment has been uploaded on the website of

The Board has identified the following skills/expertise/competencies to function and discharge their responsibilities effectively and as available to the Board:

Industry knowledge, Sales & Marketing, Innovation, technology & networks, Financial literacy & Risk Management, Corporate Governance, Legal & compliance, Strategic expertise, Sustainability, Human Resource Development

Industry knowledge and Innovation	Experience in driving business success in markets, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on local as well as global market opportunities.
Financial Literacy, Risk Management and Legal Compliance	In depth understanding of financial statements, financial management and reporting processes, internal control, expertise in dealing with complex financial transactions; monitoring the effectiveness of risk management framework and profound legal knowledge and expertise in corporate law matters and other regulatory aspects.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
Strategic Expertise	Review and guide corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
Technology & Network	Significant knowledge of technology and network operation, anticipation of emerging technology trends and provide guidance for technical collaboration.
Corporate Governance	Providing insights in best governance practices, protecting and enhancing stakeholders value, maintaining board and management accountability.
Sustainability	Experience in leading the Sustainability and Environment, social and governance visions of organizations, to be able to integrate these into the strategy of the Company.
Human Resource Development	Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
General Management	Overall outlook on efficiency, profitability and management.

the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Regulation 16(1)(b) of the Listing Regulations and Section 149 (6) of the Companies Act, 2013 and they are qualified to act as Independent Directors and that they are independent of the management. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Key Skill Matrix of the Board

The Vodafone Idea Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees.

	Industry knowledge & Innovation	Financial Expertise	Risk Management	Legal Compliance	Sales and Marketing	Strategy	Technology & Networks	Corporate Governance	Sustainability	Human Resource Development	General Management
Mr. Kumar Mangalam Birla	✓	✓	✓			✓	✓	✓	✓	✓	✓
Mr. Ravinder Takkar	✓		✓		✓	✓	✓	✓	✓	✓	✓
Mr. D. Bhattacharya	✓	✓	✓		✓	✓		✓	✓		✓
Mr. Himanshu Kapania	✓	✓	✓		✓	✓	✓	✓		✓	✓
Mr. Vivek Badrinath	✓				✓	✓	✓	✓	✓	✓	✓
Mr. Thomas Reisten	✓	✓	✓	✓		✓	✓	✓	✓		✓
Mr. Arun Adhikari			✓	✓	✓	✓		✓	✓	✓	✓
Mr. Ashwani Windlass	✓	✓		✓		✓	✓	✓			✓
Ms. Neena Gupta				✓				✓	✓	✓	✓
Mr. Krishnan Ramachandran		✓		✓	✓	✓		✓	✓	✓	✓
Mr. Suresh Vaswani		✓	✓		✓	✓	✓	✓		✓	✓
Mr. Arun Thiagarajan	✓	✓	✓	✓	✓	✓	✓	✓			✓
Mr. Sunil Sood	✓			✓	✓	✓	✓		✓	✓	✓
Mr. Diego Massidda	✓	✓	✓		✓	✓	✓	✓			✓

A brief profile of the Directors are as under:

Mr. Kumar Mangalam Birla is the Chairman of the multinational Aditya Birla Group, which operates in 36 countries across six continents. He is a Chartered Accountant and holds an MBA degree from the London Business School.

Mr. Birla Chairs the Boards of all of the Group's major companies in India and globally.

Outside the Aditya Birla Group, Mr. Birla has held several key positions on various regulatory and professional Boards. He was a Director on the Central Board of the Reserve Bank of India. He was Chairman of the Advisory Committee constituted by the Ministry of Corporate Affairs and also served on the Prime Minister of India's Advisory Council on Trade and Industry. As the Chairman of the SEBI Committee on Corporate Governance, he authored the First Report on Corporate Governance titled "Report of the Kumar Mangalam Birla Committee on Corporate Governance". Mr. Birla also served as Chairman of SEBI's committee on Insider Trading.

Mr. Birla is deeply engaged with educational institutions. He is the Chancellor of the Birla Institute of Technology & Science ("BITS") with campuses in Pilani, Goa, Hyderabad and Dubai. He is also the Chairman of the Indian Institute of Management, Ahmedabad. On the global arena, Mr. Birla serves on the London Business School's Asia Pacific Advisory Board and is an Honorary Fellow of the London Business School.

Mr. Ravinder Takkar holds a Bachelors degree in Science from Loyola Marymount University, USA in 1991. He has an overall work experience of over 27 years of which 25 years is with Vodafone. Prior to his current role, Ravinder was the CEO of Vodafone Romania for three years and CEO of Vodafone Partner Markets in London. He has been with Vodafone Group since 1994 and brings a wealth of experience in telecom industry having worked in several leadership positions across Vodafone's operating companies over the last 25 years. Ravinder has been involved in the Indian telecom industry since 2007 when Vodafone Group entered the Indian market. He has held a number of senior roles in Strategy and Business Development and he was CEO of the Enterprise business.

Mr. D. Bhattacharya holds a B. Tech (Hons.) degree in Chemical Engineering from IIT, Kharagpur and B. Sc. (Hons.) degree in Chemistry from Presidency College, Kolkata. He joined the Aditya Birla Group in 1998 and has held several key positions within the Aditya Birla Group. He was appointed as Managing Director of Hindalco Industries Limited in the year 2003 and currently serves as Vice-Chairman of Hindalco Industries Limited, the Metals flagship of the Aditya Birla Group; and the Vice-Chairman of Novelis Inc., world leader in flat-rolled products and a 100% subsidiary of Hindalco. He serves as the Chairman of the Business Review Council (BRC) for a large number of businesses (both in India and Overseas) of the Aditya Birla Group.

Mr. Himanshu Kapania an alumnus of IIM, Bangalore (1988-1990) and Birla Institute of Technology, Mesra (1979-83), was former Managing Director (2011 to 2018) of erstwhile Idea Cellular Limited, renamed Vodafone Idea Limited (VIL) after merger with Vodafone India, is presently on the VIL Board as 'Non-Executive Director'. Mr. Kapania is also 'Vice-Chairman' of Aditya Birla Fashion & Retail Limited. He also serves as 'Non-Executive Board Member of Celcom Axiata', a listed Telecom Company in Malaysia. He has over 34 years of work experience in Management, Leadership, Technology, Operations, Sales & Marketing, Regulation & Policy Advocacy, etc., with deep understanding of Indian consumers, media and society across Automobile, Consumer Durables, Office Automation, Telecom & Digital Services industries. His tryst with the Indian telecom sector dates back to over two decades. He has been a key contributor to the accelerated growth of the sector while assisting political leadership, regulator and key policy creators in formulating India's Telecom & Digital Services regulations, policies and processes. He is the current Chairman of FICCI Council on 'Telecom, Electronics and Digital Economy' (TED Council).

Mr. Arun Adhikari is an alumni of the Indian Institute of Technology, Kanpur and the Indian Institute of Management, Calcutta. He joined Hindustan Lever Limited in 1977 and worked with the Unilever Group in India, UK, Japan and Singapore. His areas of responsibility included sales and marketing, culminating in general management and leadership roles. Mr Adhikari retired from Unilever in January 2014, post which he was a senior advisor with McKinsey and Company for four years. He is now an Independent Director on the boards of UltraTech Cement Limited, Aditya Birla Capital Limited and Voltas Limited.

Mr. Ashwani Windlass is a gold medalist in B. Com from Punjab University, Chandigarh; where he also obtained a Graduation in Journalism (B.J.). He holds an MBA from Faculty of Management Studies, University of Delhi. He is a leading strategy, telecom and technology professional, currently engaged in advisory/mentoring roles at the Board/

CEO level, after over four decades of wide management experience. Mr. Windlass has been the Founder Jt. Managing Director of Max India Limited, Founder Managing Director of Hutchison Max Telecom (since rechristened as Vodafone Idea Limited) and Vice Chairman & Managing Director of Reliance Telecom Limited. Apart from being Chairman SA & JVs, MGRM Inc., USA and Chairman of Bata India Limited, he also serves on the Boards of Hitachi MGRM Net Limited, Hindustan Media Ventures Limited & Jubilant Foodworks Limited, among others.

Ms. Neena Gupta is a law graduate from Delhi University and has a management degree in Marketing and HR from Fore School of Management, Delhi. She also holds B.A. degree in History from Delhi University. She has worked as an Executive Director (Strategy and M&A) and is currently Group General Counsel with InterGlobe Enterprises United. Prior to InterGlobe, she was a partner with law firm J. Sagar & Associates. She has vast experience in the field of strategic sale and divestments, capital market transactions, mergers and acquisitions and legal and international taxation.

Mr. Krishnan Ramachandran holds a Bachelor of Engineering (Honors) degree in Electrical Engineering from Birla Institute of Technology & Science, Pilani (BITS Pilani) and a Post Graduate Diploma in Management from the Indian Institute of Management, Calcutta. He was earlier associated with Philips India Limited as its Vice Chairman & Managing Director and was also associated with Tata Administrative Service and Voltas Limited as General Manager (Ops). He was also engaged as an Advisor to the Chancellor of BITS Pilani from 2009 to 2017. He has advised and worked with the leadership teams of several companies and has over 45 years of experience in general management.

Mr. Suresh Vaswani holds a Bachelor of Technology degree in Engineering from Indian Institute of Technology, Kharagpur and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is Senior Director and Operating Partner at Everstone Capital, Board member of US based IT Services companies Servion Global Solutions and Omega Health Care, board member of Tech/SAAS companies Innoveo AG Switzerland and Acqueon US where he is also the Chairman. He has several years of experience in IT/IT leveraged/Tech business and has served as President of Dell Services globally, Chairman of Dell India, Co-CEO of Wipro IT Business and as General Manager at IBM Global Technology Services.

Mr. Arun Thiagarajan holds a Bachelor of Arts degree from Uppsala University, Sweden and a master's degree of engineering in Electro technology from Royal University of Technology, Stockholm. He has also attended the advanced management program of the Graduate School of Business Administration, Harvard University. He has previously served as the Managing Director of Asea Brown Boveri Limited, as

the Vice Chairman of Wipro Limited and as President of Hewlett-Packard India Private Limited. He also serves as an Independent Director on the Board of various companies. He has extensive experience in the field of Sales and Marketing, Strategy Planning, Electrical Engineering and Industrial Manufacturing.

Mr. Sunil Sood, is an alumnus of Harvard Business School, and a distinguished alumni awardee of IIM-C and IIT Delhi. He started his telecom journey with Vodafone in 2000 and over the years has held several senior positions including MD & CEO for Vodafone India Ltd (April 2015 – August 2018). He was the Group Commercial Director, AMAP and Group M-Pesa & Financial Services Director of Vodafone Plc from September 2018 to September 2020. He began his career in the FMCG industry with Lakme in various roles across India and also did roles in other emerging markets in Africa and South East Asia, including the role of CEO of PepsiCo in Bangladesh. His career and experience gained in FMCG, Telecommunications & Fin-Tech extends over 35 years. He is currently a Board member of Vodacom South Africa. He was the former Chairman of Cellular Operators Association of India (COAI), the industry body for GSM telecom operators in India as well as the former Chairman of the British Business Group (BBG) Mumbai, a confederation of organizations with interests in India & UK and a member of several prestigious industry bodies/associations/public policy forums.

Mr. Diego Massidda, an Italian by nationality, holds a degree in Hydraulic Civil Engineering from the Università di Cagliari, Italy, and a Master in Business Administration from INSEAD, France. He has over 18 years of telecommunications experience at CEO level, managing wireline, TV and wireless businesses prior to moving to the current position of CEO of Vodafone Partner Markets, a business which provides services to other telcos in 45 different countries. He joined Vodafone in 2007 as Group Director of Broadband and Online, and from 2009 to 2011, he was Group Director of Video and Connected Home. From 2011 to 2016, he served as CEO of Vodafone Hungary. He is a Director of Vodafone Sales & Services Ltd and of TPG Telecom Ltd, an Australian telecommunications operator listed on the ASX, where Vodafone has 25% ownership. Prior to joining Vodafone, Diego was CEO of the ISPs Tiscali South Africa, Liberty Surf Group (listed on the Paris stock exchange), and Telecom Italia in France, trading under the Alice brand. He has also worked for 6 years with McKinsey & Company earlier in his career.

Board Meetings and Procedure

The tentative annual calendar of meetings is determined at the beginning of each year. The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. In case of urgent business exigencies some resolutions are also passed by circulation, as permitted by law, which is noted

in the subsequent Board Meeting. Time gap between two consecutive meetings does not exceed 120 days.

In the wake of COVID-19 pandemic and to adhere to the lockdown and social distancing norms, the directors participated in all the meetings of the Board and Committees held during the Financial Year 2020-21, through video conferencing/ other audio visual means. The meetings and agenda items taken up during the meetings complied with the Companies Act, 2013 and Listing Regulations read with various circulars issued by Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India (“SEBI”) due to COVID 19 pandemic.

The Company Secretary in consultation with the Chairman and the Managing Director & Chief Executive Officer prepares the detailed agenda for the meetings. All the agenda items are backed by comprehensive agenda notes and relevant supporting papers containing all the vital information, so as to enable the Directors to have focused discussion at the meeting and take informed decisions.

The notice of Board/Committee Meetings is given well in advance to all the Directors. The agenda and agenda notes are circulated to all the Directors well in advance, usually a week before the Meeting. In case of sensitive agenda matters, where it is not practical to circulate the relevant information as part of the agenda papers, the same is tabled at the meeting. In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. To discuss significant and important matters, meetings are also convened at a short notice with the consent of all Directors. Further regular updates on such matters are also provided to the board members. The members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman. The senior management personnel are invited to the Board/ Committee Meetings to apprise and update the members on the items being discussed at the meeting. All the relevant information as enumerated in Part A of Schedule II of the Listing Regulations is placed before the Board and the Board in particular reviews and approves corporate strategies, business plan, annual budget, capital expenditure etc. The Board periodically reviews the compliance status of all the applicable laws and is regularly updated on various legal and regulatory developments involving the Company. The Board Agenda includes an Action Taken Report comprising of actions emanating from the Board Meetings and status updates thereof. The Members of the Board have complete freedom to express their opinion and have unfettered and complete access to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at the meetings.

The draft minutes of each Board/Committee meetings are circulated to all Directors for their comments within 15 days of the meeting. The Company Secretary, after incorporating comments, received if any, from the Directors, records the minutes of each Board/Committee meeting within 30 days from conclusion of the meeting. The important decisions taken at the Board/Committee meetings are communicated to the concerned departments promptly.

During the Financial Year 2020-21, the Board met ten times i.e. on April 9, 2020, May 7, 2020, June 12, 2020, June 30, 2020, July 22, 2020, August 6, 2020, August 31, 2020, September 4, 2020, October 29, 2020 and February 13, 2021. The intervening gap between any two Board Meetings did not exceed 120 days.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting (i.e. Annual General Meeting for FY 2019-20 was held on September 30, 2020) are as under:

Name of Director	No. of Board Meetings held during the tenure		Attended Last AGM (Yes/No)
	Held	Attended	
Mr. Kumar Mangalam Birla	10	1	Yes
Mr. Ravinder Takkar	10	10	Yes
Mr. Arun Thiagarajan	10	10	Yes
Mr. Arun Adhikari	10	10	Yes
Mr. D. Bhattacharya	10	10	Yes
Mr. Himanshu Kapania	10	10	Yes
Mr. Thomas Reisten ⁽¹⁾	10	10	No
Mr. Vivek Badrinath ⁽¹⁾	10	10	No
Ms. Neena Gupta	10	9	Yes
Mr. Krishnan Ramachandran	10	10	Yes
Mr. Suresh Vaswani	10	10	Yes
Mr. Ashwani Windlass	10	9	Yes
Mr. Sunil Sood ⁽²⁾	-	-	N.A.
Mr. Diego Massidda ⁽²⁾	-	-	N.A.

⁽¹⁾ Resigned from the Board of the Company w.e.f. February 24, 2021

⁽²⁾ Appointed on the Board of the Company w.e.f. February 24, 2021

Induction and Familiarization program for Board Members

A formal letter of appointment together with the Induction kit is provided to the Independent Directors, at the time of their appointment, setting out their role, functions, duties and responsibilities. The criteria, terms and conditions for

appointment of Independent Directors of the Company is placed on the website www.vodafoneidea.com. The Directors are familiarized with your Company's business and operations and interactions are held between the Directors and senior management of your Company. Directors are familiarized with the organizational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. Apart from the above, periodic presentations are also made at the Board/Committee meetings to familiarize the Directors with the Company's strategy, business performance, business environment, regulatory framework, operations review, risk management and other related matters.

The details of familiarization programs are posted on the website of the Company viz. www.vodafoneidea.com.

Independent Director Database Registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

Meeting of Independent Directors

Due to the ongoing COVID-19 pandemic and its resurgence, the Independent Directors were not able to conduct a physical meeting without the presence of Non-Independent Directors and the management, however, the management made arrangements for a formal evaluation, inter-alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the subsequent Board Meeting and are being implemented.

Performance Evaluation of Board

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a formal evaluation mechanism is in place for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation was done based

on the criteria which includes, amongst others, providing strategic perspective, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability and independent judgment etc. The Directors expressed their satisfaction with the evaluation process and the performance of the Board as a whole. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees.

Code of Conduct for Board Members and Senior Management

The Board of Directors have laid down the Code of Conduct for all the Board Members (incorporating, inter-alia, duties of Independent Directors) and Senior Management Executives of the Company, which is also uploaded on the website of the Company www.vodafoneidea.com. The Code is derived from three inter-linked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. Code of conduct provides guidance and support for ethical conduct of the business.

Declaration affirming compliance of Code of Conduct

The Company has received confirmations from all the Board members as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration signed by the Managing Director and Chief Executive Officer affirming the compliance with the Code of Conduct by the Board Members and Senior Management Personnel of the Company for the Financial Year ended March 31, 2021 is attached and forms part of this Report.

2. COMMITTEES OF THE BOARD

The Board Committees play a vital role in improving Board effectiveness and have been constituted to deal where more focused and extensive discussions are required/activities as mandated by applicable regulation. Some of the Board functions are performed through specially constituted Board Committees comprising of Non-Executive and Independent Directors. Board Committee's ensures focused discussion and expedient resolution of diverse matters.

As of March 31, 2021, the Board has the following Committee(s) constituted for better and focused attention on various affairs of the Company:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee

(f) Capital Raising Committee

(g) Finance Committee

All the Committees have formally established terms of references / Charter. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The Minutes of the Committee Meetings are noted by the Board. The Board Committees can request special invitees to join the meeting, as appropriate.

The role and composition of the aforesaid Committees, including the number of meetings held and the related attendance of the members are given below:

A. Audit Committee

The Company has an Audit Committee at the Board level with power and role that are in accordance with the Listing Regulations and the Companies Act, 2013. The Audit Committee oversees the accounting, auditing and overall financial reporting process of the Company. The Audit Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company.

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

Terms of Reference

The broad terms of reference adopted by the Audit Committee of your Company includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by statutory auditors.
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;

- d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
 7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
 8. Approval or any subsequent modification of transactions of the Company with related parties.
 9. Scrutiny of inter-corporate loans and investments.
 10. Reviewing the utilization of loans and/or advances from/investment by the Holding Company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
 11. Valuation of undertakings or assets of the Company, wherever it is necessary.
 12. Evaluation of internal financial controls and risk management systems.
 13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 15. Discussion with internal auditors of any significant findings and follow-up thereon.
 16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 19. To review the functioning of the Whistle Blower mechanism.
 20. Approval of appointment of Chief Financial Officer (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
 21. Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively.
 22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 23. To review:
 - a. Management Discussion and Analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the Statutory Auditors, if any;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- In addition to reviewing financial results on quarterly basis, Audit Committee Meetings are also convened for reviewing Internal Audit reports pertaining to various functions and also for reviewing the implementation of Internal Financial Control framework. The Company has appropriate internal control systems for business processes, covering operations, financial reporting and compliance with applicable laws and regulations. Regular internal audits and management reviews ensure that the responsibilities are executed effectively. The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them, as appropriate.

The Committee also oversees the performance of the internal and statutory auditors and also recommends their appointment and remuneration to the Board. Information as detailed in Part C of Schedule II of the Listing Regulations, is mandatorily being reviewed by the Audit Committee. The minutes of the Audit Committee Meetings forms part of the Board Agenda. The Chairman of the Audit Committee Meeting briefs the Board on the discussions held during Audit Committee Meeting.

Composition, Meetings and Attendance

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. As on March 31, 2021, the Audit Committee comprises of six members, of which four members, including the Chairman, are Independent Directors and two members are Non-Executive Directors. All the members of the Audit Committee possess requisite accounting and financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The Managing Director & Chief Executive Officer and Chief Financial Officer of the Company are permanent invitees to the Audit Committee Meetings. Representatives of the Statutory Auditors and Internal Auditors of the Company are also invited to the Audit Committee Meetings. Additionally, other Senior Management Personnel are also invited to the Committee Meetings to present reports on the respective functions that are discussed at the meetings from time to time. The Cost Auditors attend the meeting when Cost Audit Report is discussed.

During the Financial Year 2020-21, eight meetings of the Audit Committee were held on April 9, 2020, June 12, 2020, June 30, 2020, August 5, 2020, August 31, 2020, September 4, 2020, October 28, 2020 and February 12, 2021. The intervening gap between two Meetings did not exceed 120 days. All Audit Committee meetings were attended by all the members of the Committee.

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Ashwani Windlass (Chairman)	Independent	8	8
Mr. Arun Thiagarajan	Independent	8	8
Mr. D. Bhattacharya	Non-Executive	8	8
Mr. Thomas Reisten	Non-Executive	8	8
Mr. Krishnan Ramachandran	Independent	8	8
Mr. Suresh Vaswani	Independent	8	8

All the recommendations made by the Audit Committee were accepted by the Board. The composition of the Committee was changed pursuant to the resignation of Mr. Thomas Reisten and appointment of Mr. Diego Massidda on February 24, 2021.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been entrusted with role of formulating criteria for determining the qualifications, positive attributes and independence of the Directors as well as identifying persons who are qualified to become Directors and persons who may be appointed at senior management levels and also devising a policy on remuneration of Directors, Key Managerial Personnel and other senior employees. The Committee also monitors and administers the Company's Employee Stock Option Scheme(s). The Nomination & Remuneration Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the Listing Regulations.

Terms of Reference

The broad terms of reference adopted by the Nomination and Remuneration Committee includes the following:

- set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and senior management of the quality required to run your Company successfully;
- set the relationship of remuneration to performance;
- check whether the remuneration provided to Directors and senior management includes a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of your Company and its goals;
- formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior management and recommend the same to the Board;
- review and implement succession and development plans for Managing Director, Executive Directors and senior management;
- devise a policy on Board diversity;
- formulate the criteria for determining qualifications, positive attributes and independence of Directors; and
- to supervise and monitor the process of issuance/grant/vesting/cancellation of ESOPs and such other instruments as may be decided to be granted to the

employees of the Company/ Subsidiary Company, from time to time, as per the provisions of the applicable laws, more particularly in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Composition, Meetings and Attendance

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2021, Committee comprises of four Non-Executive Directors, two of them are Independent Directors including the Chairman. The Company Secretary acts as a Secretary to the Committee.

During the Financial Year 2020-21, two meetings of the Nomination and Remuneration Committee were held on June 29, 2020 and October 29, 2020. Both the meetings were attended by all the members of the Committee.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings held during the Financial Year 2020-21 are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Arun Adhikari (Chairman)	Independent	2	2
Mr. Vivek Badrinath	Non-Executive	2	2
Mr. Himanshu Kapania	Non-Executive	2	2
Mr. Suresh Vaswani	Independent	2	2

All the recommendations made by the Committee were accepted by the Board. The composition of the Committee was changed pursuant to the resignation of Mr. Vivek Badrinath and appointment of Mr. Sunil Sood on February 24, 2021.

I. Details of the Managerial Remuneration paid to the Executive Directors during Financial Year 2020-21 is as under:

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration during 2020-21			
			All elements of remuneration package i.e. salary, allowances and other benefits etc.	Fixed component & performance linked incentives along with performance criteria	Service Contract, notice period, severance fees	Stock Option details, if any
Mr. Ravinder Takkar	None	Managing Director & Chief Executive Officer	See Note 1 below			See Note 2 below

Notes:

- Mr. Ravinder Takkar is appointed as Managing Director & Chief Executive Officer of the Company w.e.f. August 19, 2019 for a period of three years on NIL remuneration.
- No Stock Options has been granted to Mr. Ravinder Takkar.

Performance Evaluation Criteria for Independent Directors

The evaluation framework for assessing the performance of Directors of your Company comprises of contributions at the meetings, strategic perspectives or inputs regarding the growth or performance of your Company, among others. The Nomination and Remuneration Committee have laid down the manner in which formal evaluation of the performance of the Board, its Committees and individual Directors has to be made. The Board has carried out the annual performance evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulations.

Nomination & Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on appointment and remuneration of Directors and Senior Management Employees. The Company's remuneration policy is directed towards rewarding performance based on periodic review of the achievements.

The remuneration policy is available on the website of the Company www.vodafoneidea.com.

Remuneration of Directors

(i) Remuneration to the Executive Directors

The remuneration package of Executive Directors including the Managing Director & Chief Executive Officer and the senior management team is determined by the Nomination & Remuneration Committee, which is in accordance with the remuneration policy of the Company. A fair portion of the remuneration is linked to the Company's performance, thereby creating a strong alignment of interest with shareholders.

The recommendations of the Committee are considered and approved by the Board, subject to the approval of the members of the Company, wherever necessary.

II. Details of Stock Options (Options) and Restricted Stock Units (RSU) granted/exercised to/by the Executive Directors:

No Stock Options have been granted to Mr. Ravinder Takkar.

(ii) Remuneration to Non-Executive/Independent Directors

Only Independent Directors are paid remuneration by way of sitting fees, which is ₹ 1,00,000/- per Board Meeting and ₹ 50,000/- per Committee meeting attended by them, which is well within the limits prescribed under Companies Act, 2013 ('the Act'). The Commission/Remuneration payable to all the Non-Executive Directors (including Independent Directors) is decided by the Board of Directors on the basis of recommendation of the Nomination and Remuneration Committee, subject to the overall approval by the members of the Company. In view of Net loss incurred by the Company for Financial Year ended March 31, 2021, no Commission has been approved by the Board for Financial Year 2020-21. Non-Executive Directors (including Independent Directors) are also entitled to reimbursement of expenses incurred in performance of the duties as Directors and Members of the Committees.

The details of the sitting fees paid to Independent Directors for the Financial Year ended March 31, 2021 are as follows:

Name of Independent Director	Sitting Fees paid for FY 2020-21 (in ₹)
Mr. Arun Thiagarajan	14,00,000
Mr. Arun Adhikari	13,00,000
Mr. Ashwani Windlass	13,50,000
Mr. Krishnan Ramachandran	15,50,000
Ms. Neena Gupta	11,00,000
Mr. Suresh Vaswani	15,00,000

There were no pecuniary relationships/transactions between your Company and the Non-Executive Directors/Independent Directors during the year, apart from sitting fees.

(iii) Details of Shareholding of Non-Executive Directors

The details of shareholding of Directors as on March 31, 2021 are as under:

Name of Director	No. of Equity Shares [#]
Mr. Kumar Mangalam Birla	8,64,906
Mr. Arun Thiagarajan	28,542
Mr. D. Bhattacharya	20,401
Mr. Himanshu Kapania	27,06,276
Mr. Sunil Sood (appointed w.e.f. February 24, 2021)	10,717

[#]Shares held singly or as a first shareholder are only considered.

C. Stakeholders Relationship Committee

The Company has in place a Stakeholders' Relationship Committee which look into various aspects of interest of shareholders, debenture holders and other security holders. The Committee monitors redressal of complaints of shareholders, debenture holders and other security holders relating to transfer/transmission of shares, non-receipt of annual report, dividend payment, issue of duplicate share certificates and other related complaints. In addition, the Committee also monitors other issues including status of Dematerialisation/Rematerialisation of shares issued by the Company. The role of the Committee also includes evaluating performance and service standards in respect of services rendered by the Registrar and Share Transfer Agent.

Composition, Meetings and Attendance

The composition of Stakeholders' Relationship Committee is in conformity with the provisions of Companies Act, 2013 and Regulation 20 of the Listing Regulations. As on March 31, 2021, the Committee comprises of four members namely, Mr. D. Bhattacharya (Non-Executive) as Chairman, Ms. Neena Gupta (Independent), Mr. Ravinder Takkar (MD & CEO) and Mr. Himanshu Kapania (Non-Executive). The Company Secretary acts as a Secretary to the Committee. During the Financial Year 2020-21, the Stakeholders' Relationship Committee met once on June 30, 2020 and the said meeting was attended by all the members of the Committee.

Compliance Officer

Mr. Pankaj Kapdeo, Company Secretary, acts as the Compliance Officer of the Company. The Compliance Officer briefs the Committee on the grievances/queries of the investors and the steps taken by the Company for redressing their grievances. He is responsible for complying with the provisions of the Listing Regulations, requirements of securities laws and SEBI Insider Trading Regulations. The Compliance Officer can be contacted at:

Vodafone Idea Limited
Birla Centurion, 10th Floor,
Century Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai – 400 030
Tel: +91-9594003434
Fax: +91-22-26527080
Email: shs@vodafoneidea.com

Investor Grievances Redressal Status

During the Financial Year 2020-21, the complaints and queries received from the shareholders in the previous year were high compared in the current financial year,

due to the Rights Issue undertaken by the Company in April–May 2019. Some relating to Rights Issue were mainly concerning non-receipt of application form, non-receipt of shares and non-receipt of refund. Few complaints were concerning non-receipt of Annual Reports etc. There were 6 complaints pending to be resolved as at the end of March 31, 2020 and NIL Complaints as on March 31, 2021.

The status of Investors' Complaints as on March 31, 2021, is as follows:

No. of complaints as on April 1, 2020	6
No. of complaints received during the Financial year 2020-21	148
No. of complaints resolved upto March 31, 2021	154
No. of complaints pending as on March 31, 2021	0

To redress investor grievances, the Company has a dedicated email ID shs@vodafoneidea.com to which investors may send complaints.

D. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee is constituted in accordance with Section 135 of the Companies Act, 2013 and applicable rules thereto. The CSR Committee evaluates and recommends to the Board the CSR activities to be undertaken and amount to be spent on CSR activities. The CSR Committee monitors the CSR policy from time to time.

As on March 31, 2021, the Committee comprised of four members, with majority Independent Directors. Ms. Neena Gupta, Independent Director is the Chairperson of the Committee. Mr. Arun Adhikari (Independent), Mr. Krishnan Ramachandran (Independent) and Mr. Ravinder Takkar (MD & CEO) are other members of the Committee. Mr. P Balaji – Chief Regulatory & Corporate Affairs Officer and CSR Head is the permanent invitee to all the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee. During the Financial Year 2020-21, the Committee met on June 29, 2020, August 5, 2020 and February 13, 2021.

The attendance of the members of the Committee is as follows :

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Ms. Neena Gupta (Chairperson)	Independent	3	3
Mr. Ravinder Takkar	MD & CEO	3	3
Mr. Arun Adhikari	Independent	3	3
Mr. Krishnan Ramachandran	Independent	3	3

The Ministry of Corporate Affairs – CSR Cell vide its letter dated April 9, 2019 directed the Company to spend the unspent CSR amount for FY 2015-16 and FY 2016-17, aggregating to ₹ 72.72 crores in 8 equal quarterly instalments, commencing from the quarter beginning April–June 2019. The Company has been spending the amount of ₹ 9.09 crores every quarter towards the CSR activities since April–June, 2019 quarter.

The details of CSR activities undertaken in FY 2020-21 are provided in the Boards' Report. The focus areas for Company's CSR activities were health care, education, sustainable livelihood, infrastructure development and social change. The Annual Report on the CSR activities for the Financial Year ended March 31, 2021 is attached as 'Annexure B' to the Board's Report. Corporate Social Responsibility Policy of the Company is available on the Company's website www.vodafoneidea.com.

E. Risk Management Committee

In compliance with the requirements of Regulation 21 of the Listing Regulations, the Board has duly constituted the Risk Management Committee. The Committee's prime responsibility is to frame, implement and monitor the Enterprise Risk Management framework for the Company. The Committee reviews and monitors the risk management plan and ensures its effectiveness. The Committee comprised of four members – two Non-Executive Directors and two Independent Directors. Mr. Himanshu Kapania (Non-Executive) is the Chairman of the Committee and Mr. Thomas Reisten (Non-Executive), Mr. Arun Adhikari (Independent) and Mr. Ashwani Windlass (Independent) are other members of the Risk Management Committee. Pursuant to the resignation of Mr. Thomas Reisten and appointment of Mr. Diego Massidda on February 24, 2021, the composition of the Committee as on March 31, 2021 comprised of Mr. Himanshu Kapania (Non-Executive) as the Chairman of the Committee and Mr. Diego Massidda (Non-Executive), Mr. Arun Adhikari (Independent) and Mr. Ashwani Windlass (Independent) as the members. The Managing Director & Chief Executive Officer and the Chief Financial Officer are permanent invitees to the meetings. The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2020-21, the Risk Management Committee met once on March 30, 2021 and the said meeting was attended by Mr. Himanshu Kapania, Mr. Arun Adhikari, Mr. Ashwani Windlass and Mr. Diego Massidda.

F. Capital Raising Committee

Your Board had constituted a Capital Raising Committee in Financial Year 2019-20 to evaluate various modes of equity issuance for raising further funds of upto

₹ 25,000 crores such as Rights Issue/Qualified Institutions Placement/Preferential Issue etc. The Capital Raising Committee comprised of Mr. D. Bhattacharya as the Chairman of the Committee and Mr. Ravinder Takkar, Mr. Ashwani Windlass and Mr. Arun Thiagarajan as the members of the Committee. The Company Secretary acts as the Secretary to the Committee.

During the year under review, no meeting of the Capital Raising Committee was held.

G. Finance Committee

The Company had a Finance Committee to approve matters relating to availing of financial/banking facilities and other treasury and banking related matters. Finance Committee looks into matters pertaining to fund and non-fund based borrowings, investments, working capital management besides other powers granted to it by the Board.

The Committee comprised of five members namely, Mr. D. Bhattacharya, Mr. Ravinder Takkar, Mr. Himanshu Kapania, Mr. Thomas Reisten and Mr. Akshaya Moondra (Chief Financial Officer). During the year, pursuant to resignation of Mr. Thomas Reisten and appointment of Mr. Diego Massidda w.e.f. February 24, 2021, the composition of the Committee was changed to that effect.

The attendance of the members of the Committee is as follows :

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. D Bhattacharya	Non-Executive	3	3
Mr. Ravinder Takkar	MD & CEO	3	3
Mr. Himanshu Kapania	Non-Executive	3	2
Mr. Thomas Reisten ⁽¹⁾	Non-Executive	3	3
Mr. Akshaya Moondra	CFO	3	3
Mr. Diego Massidda ⁽²⁾	Non-Executive	-	-

⁽¹⁾ Resigned w.e.f February 24, 2021

⁽²⁾ Appointed w.e.f February 24, 2021

3. SUBSIDIARY COMPANIES

The subsidiary companies are managed by their individual Board of Directors. The policy for determining material subsidiary is available on the Company's website www.vodafoneidea.com. Due to network of the Company being negative, You Broadband India Limited, Connect (India) Mobile Technologies Private Limited, Vodafone Idea Communication Systems Limited, Vodafone Idea Shared Services Limited and Vodafone Manpower Services Limited were material subsidiaries of the Company as per Regulation 16(1)(c) of the SEBI Listing Regulations.

Further in accordance with Regulation 24(1) of the SEBI Listing Regulations, Mr. Krishnan Ramachandran, Independent Director of the Company has been appointed on the Board of the aforesaid material subsidiary companies. Your Company and its material unlisted subsidiaries undertake Secretarial Audit, and the Secretarial Audit Report, form part of this Annual Report.

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies, including loans made by the Company in subsidiaries. The minutes of the subsidiary companies and significant developments of the unlisted subsidiary companies are periodically placed before the Board.

4. DISCLOSURES

a. Related Party Transactions

All contracts/arrangements/transactions entered by the Company with the related parties during the financial year as detailed in Note No. 56 of the Standalone Financial Statements were in ordinary course of business and at an arm's length basis and were approved by the Audit Committee under specific provisions of the Companies Act, 2013. None of the transactions with related parties were in conflict with the Company's interest. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. The details of arrangement/transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions read with the Listing Regulations are disclosed in Form AOC-2. Member's approval for material Related Party Transaction, as defined under the Listing Regulations, shall be obtained at the ensuing Annual General Meeting. All Related Party Transactions are placed before the Audit Committee for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. In compliance with Listing Regulations, the necessary statements/disclosures with respect to the Related Party Transactions, are tabled before the Audit Committee and the Board of Directors on quarterly basis. The Company has implemented a Related Party Transaction manual and Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The details of the transactions with Related Parties are provided in the accompanying financial statements as required under Ind AS 24. In line with requirement of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, your Company has adopted a Policy on Related Party Transactions which is available at Company's website www.vodafoneidea.com.

b. Disclosure of Accounting Treatment

In the preparation of standalone and consolidated financial statements, your Company has followed all the applicable Indian Accounting Standards and the generally accepted accounting principles in India.

c. Details of Non-Compliance with regard to the Capital Markets

There has been no instances of non-compliance by your Company and no penalties or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

d. Proceeds from Public Issues, Rights Issues, Preferential Issues etc.

On March 20, 2019 the Company approved the issue of 19,999,830,911 Equity Shares at ₹ 12.50 per Equity Share (including a premium of ₹ 2.50 per Equity Share), aggregating to approximately ₹ 250,000 million on a rights basis in the ratio of 87 Equity Shares for every 38 fully paid-up Equity Shares held by the eligible Equity Shareholders as on record date i.e. April 2, 2019. The said rights issue concluded on May 4, 2019. The Company has been disclosing on a quarterly basis to the Audit Committee, the uses/application of proceeds/funds raised.

e. Prevention of Insider Trading

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, your Company has adopted a 'Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities' of the Company ("the Insider Trading Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons (including Directors, Key Managerial Personnel and employees) of your Company are covered under the Insider Trading Code, which provides inter-alia for periodical disclosures and obtaining pre-clearances for trading in the securities of your Company.

The policy and the procedures are periodically revised from time to time and communicated to the Designated Persons. Trading window closure is intimated to all employees and to the Stock Exchange in advance, whenever required.

The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

f. Whistle Blower Policy/ Vigil Mechanism

Your Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees pursuant to which a Committee has been constituted for addressing complaints received from Directors and Employees concerning unethical behavior, actual or suspected fraud and violation of Code of Conduct or Ethics Policy of your Company. The Policy provides adequate safeguards against victimization of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Your Company hereby affirms that no Director/Employee has been denied access to the Chairman of the Audit Committee.

g. Consolidated Fees paid to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity for FY 2020-21 of which the Statutory Auditors are a part is as under:

Audit Fees	₹ 77.55 Mn
Certification and other services	₹ 7.00 Mn
Reimbursement of out-of-pocket expenses	₹ 1.02 Mn
Total	₹ 85.57 Mn

h. Compliance with the Mandatory Corporate Governance Requirements as prescribed under the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulations 46 of the Listing Regulations. The Company has obtained a certificate affirming the compliances from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, the Company's Statutory Auditors and the same is appended as an Annexure to this Report.

i. Details of Compliances with the Non-Mandatory Corporate Governance as prescribed under the SEBI (LODR) Regulations, 2015

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements as prescribed in Regulation 27 of the Listing Regulations:

- The position of the Chairman of the Board and the Chief Executive Officer of the Company are held by separate individuals
- Your Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance is made available

to enable him to discharge his responsibilities effectively.

- The statutory financial statements of your Company are unqualified.
- The quarterly results along with the press release, as approved by the Board are first submitted to the stock exchanges. The same are then uploaded on the website of the Company www.vodafoneidea.com. On the next day of the announcement of the quarterly results, an earnings call is organised, where the management responds to the queries of the investors/analysts. These calls are webcast live and transcripts thereof are posted on the website.
- The internal auditor directly reports to the Audit Committee.

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of Complaints filed during the Financial Year - 5
- b. Number of Complaints disposed off during the Financial Year - 3
- c. Number of Complaints pending as on end of the Financial Year - 2

5. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management Discussion and Analysis forms part of the Annual Report.

9. GENERAL BODY MEETINGS

The details pertaining to last three Annual General Meetings of the Company are provided:

Financial Year	Date	Time	Venue	Particulars of Special Resolution(s)
2019-20	September 30, 2020	02:30 p.m.	By Video Conferencing and Other Audio Visual Means	<ol style="list-style-type: none"> 1. Borrowing powers to not exceed ₹ 1,00,000 crores or the aggregate of the paid-up capital, free reserves and securities premium account of the Company, whichever is higher. 2. Creation of security on property 3. Alteration of articles of Association 4. Issuance of securities for amount not exceeding ₹ 15,000 crores
2018-19	August 27, 2019	12:30 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School, Sector 25, Gandhinagar –382 044, Gujarat	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Arun Thiagarajan as an Independent Director of the Company for another term of three years 2. Approval of Amendment to Articles of Association of the Company
2017-18	December 22, 2018	12.30 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School, Sector 25, Gandhinagar –382 044, Gujarat.	<ol style="list-style-type: none"> 1. To approve and adopt Vodafone Idea Limited Employee Stock Option Scheme 2018. 2. Extension of benefits of Vodafone Idea Limited Employee Stock Option Scheme 2018 to the employees of holding/subsidiary company(ies). 3. Use of trust route for implementation of Vodafone Idea Limited Employee Stock Option Scheme 2018. 4. Appointment of Mr. Balesh Sharma as Chief Executive Officer of the Company.

6. CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, certificate duly signed by the CEO/CFO is appended as an Annexure to this Report.

7. REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report forms part of the Annual Report. The Company is in compliance with the Corporate Governance requirements specified under regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 of the Listing Regulations.

8. COMPLIANCES

- (a) A certificate from the Company's Statutory Auditors M/s S.R. Batliboi & Associates LLP, Chartered Accountants, affirming compliance with the conditions of the Corporate Governance as stipulated under Regulation 34 read with Schedule V (E) of the Listing Regulations is appended as an Annexure to this report.
- (b) A certificate from M/s Umesh Ved & Associates, Practicing Company Secretaries, as required under the Listing Regulations confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority is appended as Annexure to this report.
- (c) During the year under review, the Board has accepted the recommendations made by the various Board Committees constituted.

Extra-ordinary General Meeting

There was no Extra-ordinary General Meeting held during the Financial Year 2020-21.

Tribunal Convened Meetings

There was no Tribunal convened Meeting held during the Financial Year 2020-21.

Postal Ballot

There was no Special Resolution passed through Postal Ballot during the Financial Year 2020-21. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

10. MEANS OF COMMUNICATION

Quarterly Results, Presentation and News Releases

The Company's quarterly financial results, presentation made to Institutional Investors/Analysts, quarterly reports, official news releases and other general information about the Company sent to the Stock Exchanges and are also uploaded on the Company's website www.vodafoneidea.com.

The Company's quarterly financial results are published in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of the State of Gujarat where the Registered Office of the Company is situated. The quarterly financial results during the Financial Year 2020-21, were published in Business Standard (all editions) and Western Times (a regional daily published in Ahmedabad, Gujarat).

At the end of each quarter, the Company organizes earnings call with the analysts and investors and the transcripts of the same are thereafter uploaded on the website of the Company.

Website

The Company's website www.vodafoneidea.com has a dedicated section for investor relations containing the financial results, shareholding pattern, annual reports, quarterly reports, updates/intimations filed with Stock Exchange(s), various policies adopted by the Board.

NSE Electronic Application Processing System (NEAPS) and BSE Portal for Electronic filing

All periodical compliance filings, like shareholding pattern, Corporate Governance Report, media releases and other material information is filed electronically on the designated portals (NEAPS and BSE Listing Centre).

GENERAL SHAREHOLDERS' INFORMATION

1. Annual General Meeting

Day and Date	: Wednesday, September 29, 2021
Time	: 3.00 p.m. IST
Venue	: The Company is conducting meeting through Video Conferencing and Other Audio Visual Means pursuant to the MCA Circulars dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM over Video Conferencing

2. Financial Calendar for 2021-22 (Tentative)

Financial reporting for the quarter ending June 30, 2021	: By August 14, 2021
Financial reporting for the quarter ending September 30, 2021	: By November 14, 2021
Financial reporting for the quarter ending December 31, 2021	: By February 14, 2022
Financial reporting for the year ending March 31, 2022	: By May 30, 2022
Annual General Meeting for the Financial Year 2021-22	: By August 31, 2022

3. Book Closure Date : September 22, 2021 - September 29, 2021 (both days inclusive)

4. Dividend : Nil

5. Dividend Payment Date : Not Applicable (Since no Dividend is recommended for FY 2020-21)

6. Registered Office : Suman Tower,
Plot No. 18, Sector - 11,
Gandhinagar - 382 011,
Gujarat
Tel: +91-79-66714000
Fax: +91-79-23232251

7. Listing Details

The Equity Shares of the Company are listed on the following Stock Exchanges:

Name of Stock Exchanges	
National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

The Annual Listing fees for the Financial Year 2020-21 has been paid to the above Stock Exchanges.

8. Stock Codes

	Stock Code	Reuters	Bloomberg
BSE Limited	532822	VIL.BO	VIL IN
National Stock Exchange of India Limited	IDEA	VIL.NS	NVIL IN
ISIN No. of Equity Shares	INE669E01016		
CIN	L32100GJ1996PLC030976		

9. Debt Securities

The Non-Convertible Debentures issued by the Company are listed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited.

10. Stock Price Data

The monthly high and low prices and volume of shares of the Company at the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the Financial Year 2020-21 are as under:

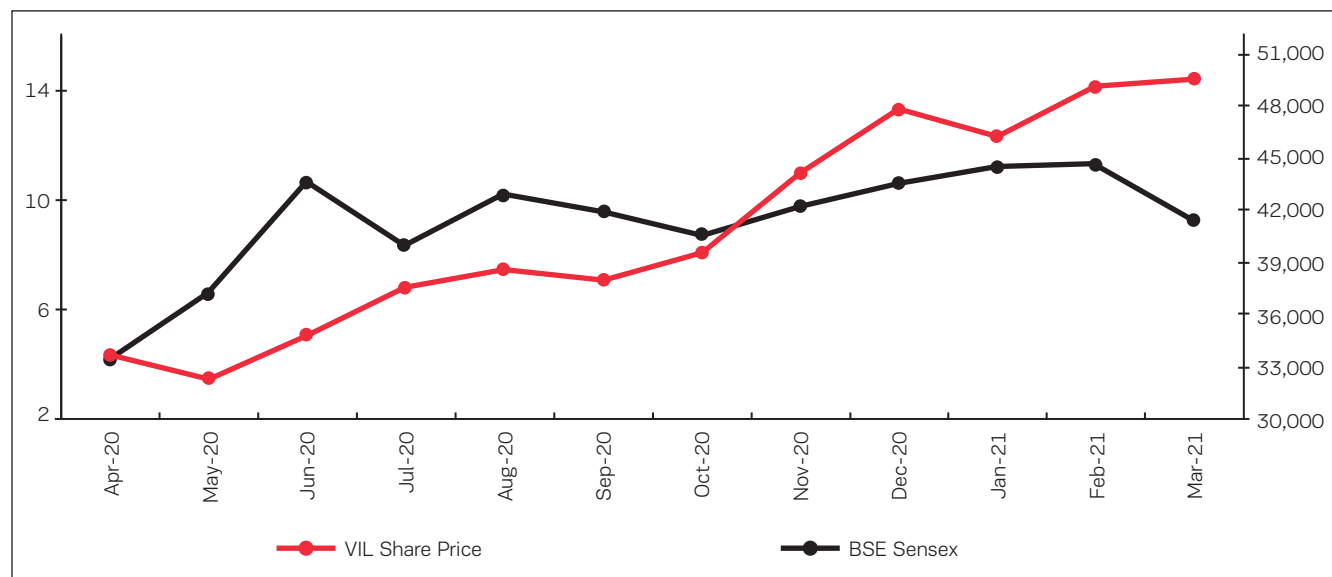
Month	BSE Limited				National Stock Exchange of India Limited			
	High (in ₹)	Low (in ₹)	Close (in ₹)	Avg. Vol. (in Nos.)	High (in ₹)	Low (in ₹)	Close (in ₹)	Avg. Vol. (in Nos.)
April, 2020	4.88	3.02	4.20	659,731,998	4.90	3.00	4.20	6,387,055,781
May, 2020	7.85	3.94	6.56	1,397,620,342	7.80	3.90	6.55	9,674,277,072
June, 2020	12.62	6.03	10.62	3,073,352,437	12.60	6.00	10.60	22,816,547,696
July, 2020	10.73	7.17	8.40	1,873,826,420	10.75	7.00	8.40	10,182,207,325
August, 2020	11.07	7.64	10.19	1,453,960,937	11.10	7.60	10.20	6,808,361,035
September, 2020	13.45	7.69	9.56	2,602,556,823	13.50	7.65	9.55	13,766,741,743
October, 2020	9.50	7.60	8.75	903,589,210	9.50	7.60	8.75	4,165,618,832
November, 2020	10.74	8.35	9.81	1,186,961,620	10.75	8.35	9.80	5,111,517,447
December, 2020	10.91	8.90	10.64	2,131,651,256	10.90	8.90	10.65	6,268,277,357
January, 2021	13.80	10.61	11.24	2,291,591,168	13.80	10.60	11.20	8,322,247,372
February, 2021	13.00	10.64	11.33	1,482,284,968	13.05	10.65	11.30	5,276,128,771
March, 2021	11.62	8.80	9.25	1,431,084,482	11.65	8.80	9.25	4,562,946,699

Source: BSE and NSE Website

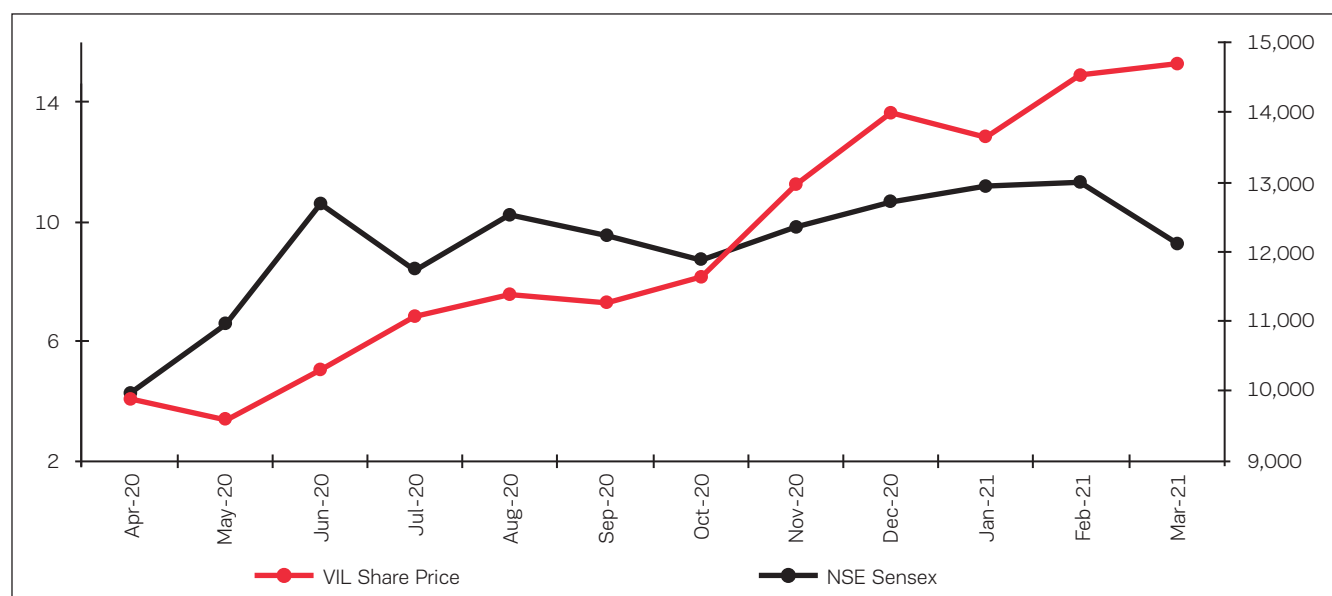
11. Stock Performance

The performance of the Company's share price vis-à-vis the broad based BSE and NSE indices during the Financial Year 2020-21 is as under:

(a) Comparison of the Company's share price with BSE Sensex



(b) Comparison of the Company's share price with NSE Nifty



12. Registrar and Share Transfer Agents

M/s. Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East),
Mumbai – 400 059

13. Debenture Trustees

M/s IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Building,
Ballard Estate,
Mumbai – 400 001

14. Share Transfer System

More than 99.99% of the equity share capital of the Company is held in Demat form. Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company. In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, w.e.f. 1st April 2019, the Company has stopped effecting transfer of securities in physical form unless the securities are held in dematerialised form with the depository, i.e. National Securities Depository Limited and Central Depository Services (India) Limited. Requests for transmission/ transposition of shares held in physical form will however be attended to. In view of the above and the inherent benefits of holding securities in electronic form, shareholders holding shares in physical form are requested to opt for dematerialisation. During the year under review, no request for physical transfer was received. Company also obtains half-yearly certificate from a Practicing Company Secretary confirming compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and same is filed with the Stock Exchanges.

15. Distribution of Shareholding

The distribution of shareholding of the Company as on March 31, 2021 is as follows:

Number of Equity Shares held	Number of Share-holders	% to total Share-holders	No. of Shares held	% to total Share-holding
Upto 5000	1,035,543	63.13	142,256,120	0.49
5001-10000	206,754	12.60	177,724,471	0.62
10001-20000	142,587	8.69	225,907,090	0.79
20001-30000	61,852	3.77	161,606,789	0.56
30001-40000	32,978	2.01	120,193,611	0.42
40001-50000	35,183	2.15	168,758,627	0.59
50001-100000	58,613	3.57	454,273,720	1.58
100001 & above	66,877	4.08	27,284,668,812	94.95
Total	1,640,387	100.00	28,735,389,240	100.00

16. Shareholding Pattern

The shareholding pattern of the Company as on March 31, 2021 is as follows:

Sr. No.	Category	No. of Shares	% Shareholding
I.	Promoter and Promoter Group	20,703,918,082	72.05
II	Public Shareholding		
	(a) Institutional Investors		
	Foreign Portfolio Investors	1,322,618,839	4.60
	Mutual Fund / Venture Funds	172,231,051	0.60

Sr. No.	Category	No. of Shares	% Shareholding
	Financial Institutions / Banks	2,847,275	0.01
	Insurance Companies	132,767,638	0.46
	(b) Others		
	Bodies Corporate (Indian)	795,591,129	2.77
	Non-Resident Indians	163,465,375	0.57
	Others	455,128,569	1.58
	Individuals	4,987,095,318	17.36
	Total	28,735,389,240	100.00

17. Dematerialisation of Shares and Liquidity

The Shares of the Company are compulsorily tradable in dematerialized form through both the Depository Systems in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). A total number of 28,735,379,545 Equity Shares of the Company constituting over 99.99% of the issued, subscribed and paid-up share capital were held in dematerialized form as on March 31, 2021.

18. Outstanding GDRs/ADRs etc.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

19. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Your Company hedges its foreign currency exposure in respect of its imports and borrowings as per its laid down policies. Your Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps or a mix of all. The Company does not have any exposure to commodity price risks.

20. Plant Locations

The Company being a service provider, has no plant locations.

21. Investor Correspondence

In order to facilitate quick redressal of the grievances/queries, the Investors and Shareholders may contact the Company Secretary at the under mentioned Corporate Office address for any assistance:

Mr. Pankaj Kapdeo
 Company Secretary
 Vodafone Idea Limited
 Birla Centurion, 10th Floor,
 Century Mills Compound,
 Pandurang Budhkar Marg,
 Worli, Mumbai – 400 030
 Tel: +91-9594003434
 Fax: +91-22-26527080
 E-mail: shs@vodafoneidea.com

22. Credit Ratings

The credit ratings outstanding for various instruments of the Company as on March 31, 2021 are as under:

Rating Agency	Instrument As on March 31, 2021	Rating
Care Ratings	Bank Facilities (Long Term)	CARE B+ (Credit Watch with Negative Implications)
	Non-Convertible Debentures	CARE B+ (Credit Watch with Negative Implications)
Brickworks	Non-Convertible Debentures	BWR BB- (Stable)

23. Other Useful Information

(a) Unpaid/Unclaimed Dividend

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the dividend which remains unclaimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website www.vodafoneidea.com.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven consecutive years. Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of Unclaimed Dividend and shares transferred during the Financial Year 2020-21 is as follows:

Financial Year	Amount of Unclaimed Dividend Transferred	Number of Shares Transferred
2012-13	₹ 5,90,608	4,29,845

The Members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a copy of the same, duly signed to the Company at iepf@vodafoneidea.com, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

Pursuant to Section 124(5) of the Companies Act, 2013, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Financial Year	Date of Declaration of Dividend	Dividend Declared per share (in ₹)	Due for transfer to IEPF
2013-2014	26/09/2014	0.40	31/10/2021
2014-2015	28/09/2015	0.60	02/11/2022
2015-2016	29/09/2016	0.60	03/11/2023

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company or its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

Pursuant to the provisions of IEPF Rules, the Company has uploaded the details of un-paid and un-claimed amounts lying with the Company as on September 30, 2020 (date of last Annual General Meeting) on the Company's website at www.vodafoneidea.com and on the website of the Investor Education and Protection Fund Authority at www.iepf.gov.in.

(b) E-Voting:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the Listing Regulations, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-voting Services provided by NSDL.

(c) Disclosure regarding appointment or re-appointment of Directors

Brief profile of the Directors seeking appointment or re-appointment is annexed to the Notice convening the 26th Annual General Meeting forming part of this Annual Report.

(d) Details of unclaimed shares in terms of Regulation 39 of the Listing Regulations

In terms of regulation 39 (4) of the Listing Regulations, the details in respect of equity shares lying in the suspense accounts which were issued in Demat form pursuant to the Initial Public Offer (IPO) of the Company in the year 2007 as well as Rights Issue as concluded in May 2019 are as given below:

Particulars	No. of cases	No. of shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year i.e. as on April 1, 2020	73	16,822
(Add) Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2020 - Rights Issue	23	1,33,363
TOTAL	96	1,50,185

Particulars	No. of cases	No. of shares
(Less) Number of shareholders whose shares transferred to IEPF account from suspense account during the Financial Year 2020-21	73	13,473
(Less) Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2020-21	1	626
(Add) Shares recovered from shareholder during the Financial Year 2020-21	1	932
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year i.e. as on March 31, 2021	23	1,37,018

The Voting rights on the shares in the suspense account as on March 31, 2021 shall remain frozen till the rightful owners of such shares claim the shares. The Company sends periodic reminders to the concerned shareholders advising them to lodge their claims with respect to unclaimed shares.

CEO/CFO CERTIFICATION

To,
The Board of Directors
Vodafone Idea Limited

We, Ravinder Takkar, Managing Director & Chief Executive Officer and Akshaya Moondra, Chief Financial Officer of **Vodafone Idea Limited** ('the Company'), to the best of our knowledge and belief, hereby certify that:

- a) We have reviewed the financial statements and cash flow statements of the Company for the year ended March 31, 2021 and:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year ended March 31, 2021, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and steps that have been taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee, wherever applicable:
 - i) Significant changes in the internal control over financial reporting during the year;
 - ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Ravinder Takkar
Managing Director &
Chief Executive Officer

Akshaya Moondra
Chief Financial Officer

Date : June 30, 2021

Place : Gurugram

Place : Mumbai

DECLARATION

As provided under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel of Vodafone Idea Limited have confirmed compliance with the Code of Conduct for the year ended March 31, 2021.

Ravinder Takkar
Managing Director & Chief Executive Officer
Place : Gurugram

Date : June 30, 2021

Certificate of Non-Disqualification of Directors

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

**To,
The Members of
Vodafone Idea Limited**

Suman Tower,
Plot No.18, Sector-11,
Gandhinagar -382011
Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vodafone Idea Limited having CIN: L32100GJ1996PLC030976 and having registered office at Suman Tower, Plot No.18, Sector-11, Gandhinagar-382011, Gujarat (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Kumar Mangalam Birla	00012813	20 June 2006
2.	Mr. Debnarayan Bhattacharya	00033553	31 August 2018
3.	Mr. Himanshu Kapania	03387441	1 April 2011
4.	Mr. Ravinder Takkar*	01719511	31 August 2018
5.	Mr. Arun Kumar Adhikari	00591057	31 August 2018
6.	Mr. Arun Kannan Thiagarajan	00292757	2 September 2006
7.	Mr. Ashwani Windlass	00042686	31 August 2018
8.	Mr. Krishnan Ramachandran	00193357	27 December 2018
9.	Ms. Neena Gupta	02530640	17 September 2018
10.	Mr. Suresh Choithram Vaswani	02176528	8 February 2019
11.	Mr. Sunil Sood	03132202	24 February 2021
12.	Mr. Diego Massidda	09067108	24 February 2021

* Designated as Managing Director and Chief Executive Officer w.e.f. 19 August 2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Umesh Ved
Umesh Ved & Associates
Company Secretaries
FCS No. : 4411
C.P. No. : 2924
UDIN: F004411C000542850

Place: Ahmedabad
Date: June 29, 2021

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Vodafone Idea Limited

1. The Corporate Governance Report prepared by Vodafone Idea Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires

that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that at least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following meetings / other meetings held April 1, 2020 to March 31, 2021:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Risk Management Committee;
 - (g) Finance Committee;
 - (h) Capital Raising Committee;
 - (i) Corporate Social Responsibility Committee
 - v. Obtained necessary declarations from the directors of the Company.

- vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency

or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Per **Nilangshu Katriar**

Partner

Membership Number: 58814

UDIN: 21058814AAAABD2683

Place: Mumbai

Date: June 30, 2021

BUSINESS RESPONSIBILITY REPORT

About this Report

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates top 100 listed entities based on market capitalization on the BSE and NSE, to include Business Responsibility Report as part of the Annual Report describing the initiatives taken by the Companies from Environmental, Social and Governance perspectives.

This Business Responsibility Report, is as per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides general information about the Company and its business responsibility as required by SEBI.

The following five sections cover disclosures as per the SEBI suggested BRR framework:

Section A: General Information about the Company

S. No.	Description	Information
1	Corporate Identity Number	L32100GJ1996PLC030976
2	Name of the Company	Vodafone Idea Limited (<i>Formerly Idea Cellular Limited</i>)
3	Registered Address	Suman Tower, Plot No. 18, Sector 11, Gandhinagar - 382 011, Gujarat
4	Website	www.vodafoneidea.com
5	Email Id	shs@vodafoneidea.com
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecommunication services Group: 9984 Class: 99841 Sub-class: 998413
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Vodafone Idea Limited is India's leading telecommunication services provider. The Company provides Pan-India Voice and Data services across 2G, 3G and 4G platforms. With the large spectrum portfolio to support the growing demand for data and voice, the Company is committed to deliver delightful customer experiences and contribute towards creating a truly 'Digital India' by enabling millions of citizens to connect and build a better tomorrow. The Company is developing infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings, conveniently accessible through an ecosystem of digital channels as well as extensive on-ground presence.
9	Total number of locations where business activity is undertaken by the Company:	
	i. Number of International Locations (provide details of major 5)	None
	ii. Number of National Locations	Company has its business activities and operations spread across the country.
10	Markets served by the Company – Local/State/National/International	The Company serves the Indian markets.

Section B: Financial Details of the Company

S. No.	Description	Information
1	Paid-up capital (₹)	The paid-up equity capital of the Company as on March 31, 2021 is ₹ 287,353,892,400/- comprising of 28,735,389,240 Equity Shares of ₹ 10/- each.
2	Total Turnover (₹)	₹ 419,311 Mn
3	Total Profit / (Loss) after taxes (₹)	₹ (462,937) Mn
4	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	The average net profits calculated for the last three financial years is negative. However, believing on giving and caring for the underprivileged and inclusion of all, as well as the directive of Ministry of Corporate Affairs, the Board of the Company had passed a resolution to spend the unspent CSR obligation for Financial Year 2015-16 and 2016-17 in eight equal quarters beginning from April-June 2019. During the Financial Year 2020-21, Company spent ₹ 315.96 Mn towards CSR activities. In view of the unique circumstances caused by the ongoing pandemic, Company had sought a one-quarter moratorium on the Ministry's dispensation and requested that Company be allowed to spend the balance unspent amount by Quarter Financial Year 2021-22. MCA had granted the Company an extension of one quarter in disbursement and reporting.
5	List of activities in which expenditure in 4 above has been incurred	<p>The CSR projects implemented during Financial Year 2020-21 are:</p> <ul style="list-style-type: none"> - Jigyasa – Building Knowledge for Life - Health Entrepreneurs - Diagnostic Tests - Financial Literacy - Jaadu Ginni Ka - Digital Village - Connecting for Good - Smart Agri - Vi Scholarships <p>Vodafone Idea's CSR program focuses on activities that includes promoting and development of (a) education, (b) financial literacy, (c) empowerment of women, (d) healthcare, (e) environment, (f) agriculture & livelihood, (g) eradication of poverty.</p> <p>During the Financial Year 2020-21 the Company's CSR initiatives positively impacted the lives of around 28.5 lakh people across 17 states (Uttar Pradesh, Rajasthan, Gujarat, Maharashtra, Jharkhand, West Bengal, Karnataka, Telangana, Andhra Pradesh, Kerala, Tamil Nadu, Odisha, Uttarakhand, Goa, Bihar, Madhya Pradesh and Chhattisgarh) through multiple initiatives undertaken in these areas.</p>

Section C: Other Details

S. No.	Description	Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has ten subsidiary companies, the details of which have been provided in the Directors' Report.
2	Do the Subsidiary Company/ Companies participate in the Business Responsibility initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).	The Company engages and positively encourages its subsidiary companies to participate in its Business Responsibility initiatives. The Company's own comprehensive Code of Conduct policy guides all its subsidiaries and makes sure that they adhere to the highest levels of ethical and transparent business practices. Yes, one subsidiary company participated in BR activities.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business which participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company while onboarding its suppliers ensures alignment and compliance to all Business Responsibility (BR) expectations of Vodafone Idea. Further, they are encouraged to follow the concept of being a responsible business entity. Compliance with respect to Supplier Code of Conduct, Vodafone Idea policies like IT Security, Data Privacy, HSW (Health Safety & Welfare) - 100% compliance commitment is taken from every Supplier before onboarding and also for Supplier code extension in SAP ERP. For vendor risk assessment and compliance Company uses vendor assessment tools from M/s Dow Jones, NameScan, Dillisense. Tools like Dow Jones help to coordinate all aspects of vendor risk management, including screening data, due diligence, fraud detection, managing regulatory and reputational risk.

Section D: BR Information**1. Details of Director/Directors responsible for BR****a) Details of the Director/Director responsible for implementation of the BR Policy/Policies**

DIN Number	01719511
Name	Mr. Ravinder Takkar
Designation	Managing Director & Chief Executive Officer

b) Details of BR head

S.No.	Description	Information
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. P. Balaji
3	Designation	Chief Regulatory & Corporate Affairs Officer
4	Telephone number	+91 11 23210134
5	Email-id	shs@vodafoneidea.com

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility, as listed below:

- P1** – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** – Businesses should promote the well-being of all employees.

- P4** – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** – Businesses should respect and promote human rights.
- P6** – Businesses should respect, protect, and make efforts to restore the environment.
- P7** – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** – Businesses should support inclusive growth and equitable development.
- P9** – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

S. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	-	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes, the policies conform to aspects of the nine principles of the National Voluntary Guidelines for Business Responsibilities (NVGs)-								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	<p>Sustainability Committee</p> <p>Vodafone Idea’s Sustainability Committee is made up of the Company’s Executive Committee (EC)/National Leadership Team (NLT) chaired by the Managing Director & Chief Executive Officer and/or all top Management (CXOs) representing every Function including the Chief Regulatory & Corporate Affairs Officer who is the designated Chief Sustainability Officer.</p> <p>Committee members ideate and oversee sustainability governance across the Company, own the policies, accelerate progress and streamline the successful adoption of new sustainability related processes. The Management Committee (MC) comprising all Cluster Heads are apprised and their inputs taken into consideration before rolling out any program.</p> <p>Cross-functional thematic Sustainability Committees and Sub-committees at the Corporate level - Senior and Middle Management Nominees from all functions assist the EC and MC. The entire process is coordinated by the full time Sustainability Officer/SME (Subject Matter Expert) who is also the Single Point of Contact (SPOC).</p> <p>Site Sustainability Committee / Working Groups</p> <p>Vodafone Idea has identified site level representation to ensure adherence to key identified responsible stewardship focus areas such as tracking all Occupational Health & Safety incidents;</p>								

S. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
		tracking NWS and facility level energy consumed and GHG (Green House Gas) emitted; compliance to NWS EMF radiation norms; tracking all Waste (including E Waste) generated and disposed at the site level etc.								
6	Indicate the link for the policy to be viewed online?	View restricted to employees, other than CSR Policy and Code of Conduct.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to all relevant stakeholders of the Company. The Company's communication with internal and external stakeholders on such matters is a continuous process.								
8	Does the Company have in-house structure to implement the policy/policies?	<p>Vodafone Idea's Sustainable Business Vision is "To be the most admired telecom Company following sustainable business practices, and creating long term stakeholders' value by balancing economic growth with responsible environmental practices and societal interests."</p> <p>The Sustainability Organogram of Vodafone Idea includes:</p> <ul style="list-style-type: none"> Executive Committee (EC)/National Leadership Team (NLT) chaired by Managing Director & Chief Executive Officer comprising of all CXOs leading from the front. The EC deliberate and drive sustainability governance of the Company and ensure efficient adoption of new sustainability processes and accelerate its progress. Chief Regulatory & Corporate Affairs Officer is the designate Chief Sustainability Officer (CSO) with CSR and Sustainability Head as the Sustainability Champion. Sustainability Officer/Subject Matter Expert (SME) drives all companywide initiatives with HoD level SPOCs nominated from all Functions. Thematic Cross Functional Teams (CFT) measure and manage sustainability focus areas across the Company. 								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	<p>The Company has a robust Sustainability Framework of Policies, Technical Standards, and Guidance Notes based not just on the local laws but also on leading International standards.</p> <p>The Company is publishing regular (Bi annual) dedicated Sustainability Reports as per international standards from Financial Year 2016-17. Its previous Sustainability Reports aligned to GRI G4 Guidelines are already in public domain and can be downloaded from the Company's website.</p>								

Following policies are adopted by the Company:

1. Code of Conduct;
2. Energy & Carbon Management Policy;
3. Policy on Mission, Vision, Values;
4. Policy on prevention of Sexual Harassment;
5. Human Rights Policy; and
6. Corporate Social Responsibility Policy.

2a. If answer to S. No. Against any Principle is ‘No’, please explain why?

S. No.	Principle	Response
1	Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	<p>The Company plays an important role in advocating issues of the telecom sector and promote a progressive and fair telecom policy. The senior management of the Company actively participates in various industry fora and is involved with various stakeholders for discussions regarding formulating new policies, reviewing and modifying relevant policies (described later in the report).</p> <p>The Company currently does not have a stated policy on advocacy, however, it continues to monitor and follow the business and regulatory environment.</p>

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Company’s business activities and stakeholders’ interactions are governed and guided by its Vision, Mission and Values. Company’s vision is to create world class digital experiences to connect and inspire every Indian to build a better tomorrow. Similarly, Company’s mission relates to customers, team, shareholders and community. **Customers** - Be the most loved brand by continuously raising the bar in delivering simple, delightful, experience and meaningful innovations, through new age technologies. **Team** - Be an inspirational, agile and exciting organization that challenges the status quo, and champions a diverse team that has a winning attitude and thrives on delivering customer excellence. **Shareholders** – Be the most valued Company through smart leadership committed to delivering sustainable growth, while adhering to the highest standards of governance and compliance. **Community** – Be the most respected Company by leveraging technology and purposeful innovation to catalyze social prosperity, digital literacy and inclusivity.

The five core values of Speed, Digital first, Trust, Bold and Passion embodies the spirit of our brand. It has helped us to build our culture that define how we behave with our employees, customers and partners. Values serve as the guiding principles for every thought and action of the Company.

Vodafone Idea adopts a straightforward and open approach, to build a culture that fosters trust. It is the basis for all its dealings and interactions with its customers, employees, suppliers, partners, shareholders, communities and the government. Vodafone Idea is committed to taking fair and honest decisions by following the highest standards of professionalism and business ethics. The Company has a sound consequence management process in place to maintain checks and balances on these very values and policies.

Alongwith the core values, all Board Members and senior management personnel affirm their compliance to the Code of Conduct that adheres to the provisions of SEBI (Listing Obligation and Disclosure Requirement), 2015. The Code also enshrines the three fundamental principles of good corporate governance, good corporate citizenship and exemplary personal conduct.

The Company also has in place a Code of Conduct, which requires all employees to engage with each other in a dignified manner and respect diversity. Integrity in personal conduct, conduct at work, conflict of interest, and interface with the external world are all covered under the code.

Vodafone Idea is sensitive about transparent and timely communication in order to yield positive results and take faster decisions thereby enhancing the credibility of the management.

SEBI – BRR Questionnaire Responses for Principle 1:**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No.**

Ans: No. It applies to all stakeholders dealing with Vodafone Idea Limited.

2. Does it extend to group/joint ventures/suppliers/contractors/NGOs/Others?

Ans: Vodafone Idea has adopted its own code which addresses the aspects of ethics, bribery and corruption. The five core values Speed, Digital, Trust, Bold, and Passion – have been adopted across Vodafone Idea including the employees of its subsidiaries. In addition, the Company's vendor/supplier contracts include clauses on ethical behavior, bribery and corruption.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Ans: There are no outstanding complaints for Financial Year 2020-21. Vodafone Idea has a mechanism in place for receiving complaints from stakeholders and in turn a robust process for their satisfactory investigation and disposal.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

Vodafone Idea has a robust scrap disposal policy in place which is diligently followed and regularly revised. Scrap disposal is monitored through the online Scrap disposal module and adequate steps are taken to ensure disposal happens in accordance with rule of the land and reporting of scrap disposal happens to concerned authorities periodically.

Vodafone Idea has also implemented the Project "Rakshak" to educate Commercial Drivers on Defensive Driving Techniques. 3,097 drivers carrying Vodafone Idea equipment across warehouses were trained under this program. Total drivers trained under this program are 5,637.

Compliance on EMF radiation related regulation is another business priority at Vodafone Idea. The Company has a dedicated team of senior officials who engage with external and internal stakeholders for awareness and education on EMF. The Company is proactively engaged in public education initiatives led by the Cellular Operators Association of India (COAI) on the subject of EMF. Vodafone Idea continues to

strengthen its internal systems and processes to remain EMF compliant. Resources for ensuring compliance have been appointed in all the Clusters. The Company has made significant financial investment in the purchase of EMF monitoring equipment and is compliant with existing directions/orders of the Department of Telecommunications (DoT). As specified by DoT, the Company works closely with the COAI on the www.tarangsanchar.gov.in (EMF portal) to update data related to Vodafone Idea Base Transceiver Stations (BTSs) operating across the country. The portal launched in 2017 disseminates information regarding electromagnetic fields (EMF) from all installed BTSs of all telecom service providers to the public.

SEBI – BRR Questionnaire Responses for Principle 2:**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Ans: Following are examples of the Company's product/service features that incorporate the aspect of environmental conservation:

- **Scrap Management Module** – In the past, scrap disposal was governed by a manual system operated through paper work only. Introduction of a web based scrap disposal Module has reduced the turn-around time of approval processes considerably. Further, it has helped in providing better visibility of the position of each scrap disposal proposal. This IT automated initiative has led to a savings of approximately 5,100 A4 sheets, which is equivalent to almost 45 kg wood.
- **iTCMS** – Intelligent Cost & Transport Management System – This is a home grown transport management system which uses logic of Artificial Intelligence, Machine Learning & Genetic Algorithm based on Darwin's theory of "Survival of the Fittest". This solution reduces manual labour in transport contract management, vehicle planning & scheduling, route planning & vehicle tracking.
- **Automation towards "Green Initiative"** – In the past Commercial rate approvals were done manually. Clusters team would courier the physical papers for signatures or mail scanned copies which in turn had to be printed out and then physically signed. With this module now on an average annually 1000+ NFAs are being approved online which leads to a savings of 5,000 A4 sheets, which is equivalent to savings of almost 45 kg wood. Also previously, commercial processes would be printed on paper and then physical processes

would need to be obtained and printed. Now, process creation, approval and distribution of Commercial processes are done online, thereby reducing the need for paper prints. On an average this leads to a one time saving of 500 A4 sheets, which is equivalent to ~ 4.5 kg of wood. Online updation and revision of the processes help save even more paper.

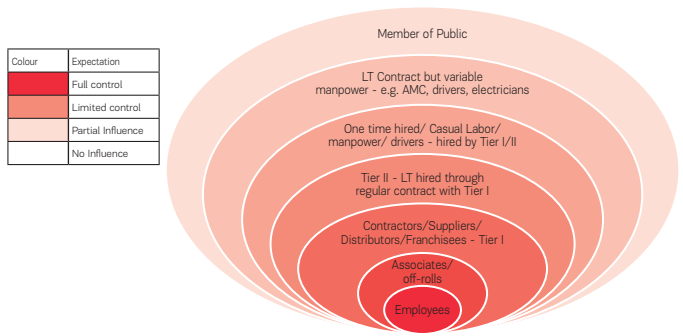
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional). (i) Reduction during sourcing/production/distribution achieved since previous year throughout the value chain; (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year:

Ans: Introduction of a Scrap Management Online Module - This initiative has led to a savings of approximately 5,100 A4 sheets which is equivalent to almost 45 kg wood.

Automation towards “Green Initiative” - This initiative has led to a savings of approximately 5,500 A4 sheets which is equivalent to almost 50 kg of wood.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Ans: Vodafone Idea firmly believes that sustainable development cannot be achieved with mere focus within own boundary of business practices. The Company has forged meaningful and impactful partnerships with its vendors and partners to mandate Health, Safety and Well Being (HSW) across their organizations as well. The HSW circle defines the level of influence and related HSW controls across the different layers of the supply chain of VIL.



HSW is also embedded into Company’s supply chain management system –

- Suppliers are screened on the basis of HSW criteria before selection for doing any high risk work as elucidated above;
- Mandatory Health & Safety conditions are incorporated into every contract and signed off by high risk suppliers; and
- A Health and Safety Plan is submitted by the suppliers at the time of agreement and monitored for compliance during the entire tenure of the agreement through monthly reviews. High Risk supplier meets were conducted across all clusters covering total 3,137 numbers of suppliers.

Focus on supply chain also involved HSW integration into logistics management:

- All warehouse premises were inspected for compliance to VIL set standards and corrective actions were taken;
- Personnel working in warehouses were imparted job specific trainings in terms of fire safety, material handling, driving of material handling equipment e.g. fork lift trucks, stackers etc;
- During the Pandemic (COVID-19), SOP on Safe working was shared with all commercial team members;
- Virtual Trainings and audits were conducted within warehouses;
- Every inbound and outbound vehicles were inspected at the warehouses as per Vodafone Idea standard checklist in the iTCMS;
- Drivers with driving licence registered on Government portal (M-Parivahan) were only authorized to drive commercial vehicles for Vodafone Idea thus ensuring trained drivers for the task;
- Furthermore before embarking on journey, all material transportation drivers for both inbound and outbound vehicles were trained on principles of defensive driving at the warehouses using VIL defined standard module. During the year approx. 10,000 drivers were trained across all warehouses;
- Every journey undertaken exclusively for Vodafone Idea business purpose are managed for HSW controls. Vodafone Idea developed and implemented a software for automation of secondary transportation operations at all warehouses. This software enables warehouse teams by proposing the shortest and economical route for transportation, consolidation of multiple trip

to single destination trip and monitoring of volumetric efficiency. In order to monitor drivers' behaviour during the journey, GPS based tracking system in both inbound and outbound vehicles is installed for ensuring safe journey management with real time tracking of vehicles; and

- Permit to work is reviewed and approved post commencement of any high risk activity in warehouse.

Agreements signed with channel partners, distributors and retail franchise owners also included clause on financial/welfare compensation for their employees in case of injury, or in case of a fatality, the welfare/financial compensation of the individuals' family.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Ans: Vodafone Idea has more than 9,400 active vendors through which procurement of various goods and services are being done and more than 99% procurement is being done from local vendors (based out of India). Most procurement activities are carried out at local offices in all states conducting business transactions with local vendors.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Ans: At Vodafone Idea, we have a clear directive of taking the material through multiple stages of screening before declaring any material scrap. This screening process focusses on exploring reusability, reparability with local technical vendors and recyclability of the material and looking for possible ways to prevent such scrap generation in future. Once a material is declared scrap, a designate team approves for final disposal. The concerned user function then ensures that the declared scrap is channelized to authorized collection centers or registered dismantler(s) or recycler(s) or is returned to the pick up or take back services provided by the producers (original manufacturers). In Financial Year 2020-21 total waste disposed of under broad category of 'Hazardous Waste' were 3K MT and 'Non- Hazardous Waste' were 19K MT. Company deals with govt. certified and authorized recyclers only.

Principle 3: Businesses should promote the wellbeing of all employees

Vodafone Idea with its strong focus on human resources has set in a culture of **Simplicity, Fairness and Trust**. It is our endeavor to create a thriving, engaged, future fit great place to work. Employee wellbeing is at the core of creating such a culture.

All our policies and interventions are designed to keep these pillars as the bedrock. Speak up, Flexible working hours, Work from Home, POSH, Employee Assistance Program, Reach Home Safe, Extended Maternity Benefits, Employee Social Network Platform (workplace), Employee Engagement Interventions, Regular Leadership Connect Sessions etc. are some interventions which have helped us to stay connected with employees. At the same time they offer flexibility to the employees to maintain a work life balance while giving their 100% at work.

In order to create a company culture with leadership commitment towards gender inclusion, we have also introduced capability enhancement for women, gender sensitization workshops and Employee Assistance Program (EAP). As part of Vodafone Idea Care, we have partnered with "Your DOST" (EAP) for mental well-being to help address issues pertaining to Pregnancy as well as help them ease into their roles once they re-join the workforce post maternity leave. In this process, the managers are also counselled on how to handle a new mother and make her comfortable in settling her into the new role. Results from the Returning Mother's survey held in February 2021, suggest that 96% affirmed that Flexi Benefits helped them support child care and career, 87% agreed they did not feel neglected and challenging assignments were given to them and 84% agreed that their manager organized re-orientation to help them settle at work.

The Pandemic has ensured we review our ways of working in a different light altogether - especially for new mothers and women with elderly dependents. In order to ensure the physical well-being women with toddlers and those with elderly dependents were asked to operate from home with the necessary enablers of broadband reimbursement and/or support of IT infra with the necessary security built-in. The connect and education continues online through webinars, employee connects and awareness campaigns on Unconscious Bias, Enhancing self, Understanding the science behind Emotions, Workplace productivity guide in a remote world, Managing parenting stress, etc.

Telecom is about connectivity and to keep people connected, there is someone risking his/her life while climbing a tower, while working on electrical system or while working in the field, driving either a car or a two-wheeler. Basis lineage

from both the promoter Groups where people centricity is a way of doing business, unflinching commitment towards Health, Safety and Well-being (HSW) of each and every individual impacted by the organization’s operations was introduced as a core element in VIL Culture of Care. Without confining the sphere of influence of HSW to the boundary of the organization, concept of 1@risk was introduced. VIL is driving HSW agenda to protect almost 150,000 people in its ecosystem from an incident. These people are working for or on behalf of VIL through channel partners, distributors, vendors, partners or franchisee owners. The Leadership team is committed to “We shall not do business by putting anyone at risk”.

During the year building a positive safety culture in the organization was undertaken are continued like:

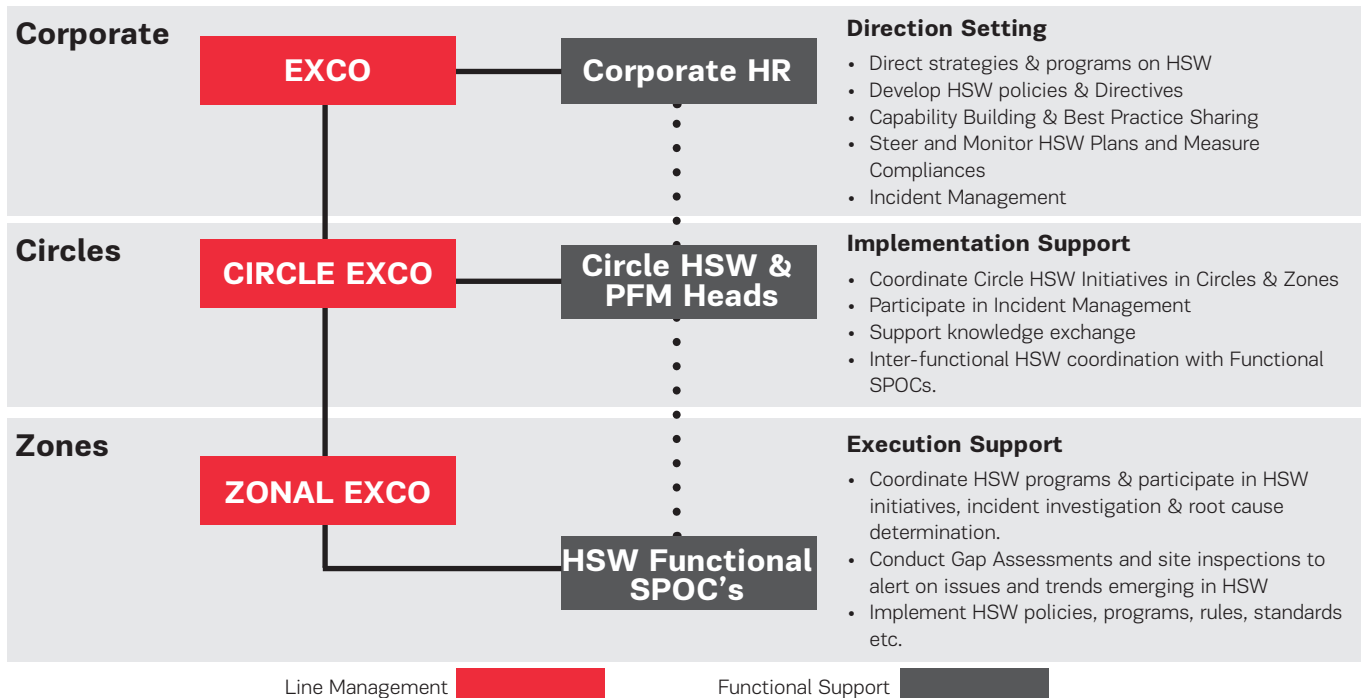
- Building a common culture and framework of care resting upon SMART governance and execution intensity;
- Focused activities to build a safe place to work and safety conscious personnel;
- Engagement with 1@risk to create a culture of safe ways of working;
- Visible felt leadership program for top line leaders of clusters;
- Capability building program for HSW SPOCs;
- Engagement with contractors; and
- Risk Based Approach for smooth execution of work.

A three pronged approach was formulated for integrating HSW into business across all functions in terms of People, Processes and Properties (Equipments and Facilities). Vodafone Idea takes into account the safety of each and every equipment and premise during both design as well as operations/maintenance phase. The safety of premises were monitored through Planned General Inspections and corrective action thereafter.

The foundation of Vodafone Idea, HSW framework laid down during the previous year through the establishment of HSW Policy, set the expectation for all that working safely is a condition of employment and that all employees including line managers shall be responsible for effective implementation of the HSW systems & processes. The foundation was further strengthened through the pillars of nine Absolute Safety Rules, addressing the high risks owing to operations (viz. work at height, electrical work, underground operations, lifting operations, two wheeler riding and four wheeler driving) and made non-negotiable for all 1@risk.

In Financial Year 2020-21, 7 precious lives were saved owing to adherence to Absolute Safety Rules. Adherence to high risk standards (Work at Height, Electrical Safety, Road Safety, Street/Underground Work, Lifting Operations & Incident Management) was ensured through various interventions which has resulted in 54% reduction in overall injury count and 57% reduction in electrical fires over previous financial year.

The following framework of governance was established with continuous focus on review and improvement:



Apart from Corporate Initiatives, Cluster and Zonal Teams are also driving initiatives for strengthening HSW Culture and ensuring physical, emotional, financial, digital and social well-being of employees to ensure a productive and efficient work force.

The organization established and fostered a belief in zero tolerance for non-compliance - a stringent consequence management program is established to investigate every incident or violation related to breach of Absolute Safety Rules. The findings of such investigations are transparently communicated so that all can learn and improve further. When required, VIL does not hesitate to even part ways with employees, channel partners, or suppliers if they violate the Absolute Safety Rules, irrespective of their seniority or importance. During the year, 1 Sales Promoter and 1 Contractor were terminated owing to violation of one or more of these rules.

Given the nature of VIL business, the geographical span of its operations and the high risk jobs involving electricity, height, street-work/underground work, lifting operation or highway travel during dark hours, VIL made it imperative for all employees and partners to ensure that for undertaking any high risk job, the right controls are in place in terms of people, property and process. With this objective, permit to work for aforementioned high risk jobs, was mandated for all VIL employees, employees of vendors, contractors and sub-contractors working for or on behalf of the organization. Additionally, the assurance was further monitored through live audits by corporate HSW team and cluster HSW SPOCs, Vertical Heads (through physical visits, pictorial evidence or video calls).

For demonstrating senior management commitment and for reinforcing positive safety culture across VIL family, following actions were completed:

- 650 senior management tours wherein leadership teams had an engagement with field teams to appreciate their good work and understand their concerns;
- Safety Council meetings every month presided by Business Heads to monitor the progress of HSW KPIs; and
- Senior management also drive HSW agenda through each functional safety council meeting and during monthly meetings.

Training & Engagements

- Based on exposure to job specific risks, standard training programmes, some in-house and some driven through external agencies were introduced

and trainings imparted – Electrical – around 1,229 technicians; work at height – around 6,269 climbers; Road Safety: around 15,516 two wheeler riders, around 518 full time employees driving four wheelers, around 805 professional drivers trained on Defensive Driving;

- Every 1@risk individual is on-boarded on basic aspects of HSW using standard modules defined by Corporate HSW. More than 26,110 1@risk individuals were inducted through this basic onboarding programme;
- B-Safe Road Safety training organized across the organization ensuring engagement of field teams 25,712 field teams were covered under this training program across clusters;
- Visible Felt Leadership program for Cluster Leadership Team building positive safety culture in the organization;
- Skill Development trainings to cluster function SPOCs for HSW governance;
- Behaviour based trainings for building positive safety culture to the cluster team;
- Various awareness campaigns during the pandemic was initiated to provide support to the team for their health and wellness. 100 SMS campaign reinforcing the importance of Social Distancing, Mask, Sanitizer (SMS) was conducted for all clusters to increase awareness and adherence to COVID-19 precautions among 1@risk team working on field and offices; and
- Virtual Engagement with cluster field /Retail Store team by Corporate HSW Team on COVID-19 protocol.

In continuation to above initiatives, Reward & Recognition programmes are also in place. Some examples are provided below:

- On spot recognition of positive safety behaviour of 1@risk through issue of 'Thank You Card' by Cluster Leadership Team during their regular engagements; and
- Logistic vehicle drivers' and transportation contractors' recognition for regular adherence to Vodafone Idea Standards through 'Project Saarthi'.

Aligned with the organizational goal of digitization, for digitizing HSW governance mSafe, (a mobile application) was used for governance and monitoring of all 1@risk individuals both on-roll employees as well as off-rolls. This application acts as the central repository of data. Furthermore, an android mobile based automation tool called Cellsite Inspection Automation Tool (CIAT) was continued for governance and recording planned inspection & issuance of permit to work in electronic form and enabling Pan-India coverage.

During the year, 1 precious life was lost in an unfortunate incident – It was due to electrocution incident involving a contract worker deployed by Vendor Partner (TCTCS). The incident was investigated in detail, root causes were identified in terms of lapse in management controls and nation-wide targeted action plans were implemented and monitored for closure.

Vodafone Idea management framework for HSW is subject to proactive scheduled review as well as reactive review basis reassessed risk in order to ensure its long term success and sustenance. In order to gauge the status of HSW implementation against Vodafone Idea Standards, check on-ground compliance with respect to people, process and premises and to provide support to clusters, Corporate HSW team continued to undertake surprise virtual visits through virtual platforms to various zonal locations and engage with partners and their employees. Some of the standard tool-kits that were introduced during the year as a part of the HSW governance architecture, included:

- Monthly HSW Function-wise cluster dashboard with monitoring of key performance indicators (both leading as well as lagging);
- Monthly HSW Review meetings at Cluster through identified safety councils; and
- Monthly Function Safety Council meeting in clusters. Monthly reviews at Corporate through Advisory Committee formed (with representation from Clusters and Corporate).

SEBI – BRR Questionnaire Responses for Principle 3:

1. Please indicate the total number of employees:

Ans: The Company has 9,174 regular employees as on March 31, 2021.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

Ans: The Company has 799 employees on temporary/contractual/casual basis as on March 31, 2021.

3. Please indicate the number of permanent women employees:

Ans: The Company has 1,285 permanent women employees as on March 31, 2021.

4. Please indicate the number of permanent employees with disabilities

Ans: Five permanent employees with some physical disability are employed by the Company.

5. Do you have an employee association that is recognized by management?

Ans: The Company has no employee association.

6. What percentage of your permanent employees is members of this recognized employee association?

Ans: The Company has no employee association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Ans: During the Financial Year 2021-21, 5 complaints pertaining to sexual harassment were received and as on March 31, 2021 with 3 having been resolved and remaining two under investigation. In all the cases, appropriate action has been taken and there is no pending case as of now. There have been no cases reported relating to child labour, forced labour, involuntary labour.

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year? - Permanent Employees, Permanent Women Employees, Casual/Temporary/Contractual Employees, Employees with Disabilities.

Ans: The Financial Year 2020-21 has been the year of world Pandemic. The way of working was transformed for the organization and so was the case for capability and skill upgradation initiatives. All the skill upgradation initiatives were created on digital platform so that all employees could access from anywhere and learn at self-pace speed anytime in the day convenient to them.

Total Training Hours through Digital mode of training has been 87,539 hours for Financial Year 2020-21 (approximately 8 hours per learner).

Vodafone Idea Learning App was leveraged for skill building with overall 100% reach with 22,962 learning hours for 12,317 learners.

1. Vi Competencies based training called Quest for Wisdom Stones was launched in Q1;
2. Performance Evaluation Skills training called Rise of Flying Unicorn was launched in Q3; and
3. Code of Conduct Module was continued for new employees.

My Learning (on CSOD LMS) was launched in Q1 to enable and skill employees on specific skills. 7,541 learners have benefited from My learning clocking 25,482 hours of learning in My Learning. Some of the key skills trained through My Learning are -

- a. Presentation Skills;
- b. Time Management;
- c. Developing Self;
- d. Influencing Others; and
- e. Deliver Results.

Virtual Instructor Led Training (VILT) – 4,362 employees have been trained through VILT mode with 19,385 training hours on the following skills:

1. Customer Experience Excellence CXX;
2. The Winning Mindset;
3. Exploring Perspectives;
4. Vi Competency based training on Learning Agility;
5. Vi Competency based Training on Curiosity; and
6. Power of Appreciation for People Managers.

Leadership Development: For the Leadership sensitization and collaboration, Team Effectiveness was conceptualized and rolled out for all Clusters through a 3 phase intervention. Starting from October 2020 and extending to March 2021, 96 CLT across all Clusters were covered with engaging and meaningful conversations through training sessions. All Clusters have been able to create a detailed Mission plan.

Gyanodaya Programs for Leadership Development: Overall, 163 participants have participated in 9 leadership development programs in Gyanodaya, ABG Virtual Leadership Development Academy.

In order to build capacity for positive safety leadership and ownership across functions and each layer of Vodafone Idea family, safety leadership trainings were undertaken by Corporate HSW for all Function Heads and Vertical Heads at Clusters including Business Heads, Zonal Heads and HSW Champions. Furthermore,

- Based on exposure to job specific risks, standard training programmes, some in-house and some driven through external agencies, were introduced and trainings imparted. Electrical – around 1,229 technicians; Work at height – around 6,269 climbers; Road Safety - around 15,516 two

wheeler riders, around 518 full time employees driving four wheelers, around 805 professional drivers trained on Defensive Driving.

- Every 1@risk individual is on-boarded on basic aspects of HSW using standard modules defined by Corporate HSW. More than 26,110 1@risk individuals were inducted through this basic onboarding programme.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Vodafone Idea actively contributes to the social and economic development of the communities in which it operates to help in building a better, sustainable way of life, especially for the weaker sections of society. The Company recognizes the critical role played by internal (employees) and external (adjudicators, courts, licensors, industry associations, regulators, network operators and subscribers) stakeholders in its sustainability agenda, and strives to align its social, environment and economic performance with stakeholder needs and expectations.

Vodafone Idea is an equal opportunity employer and currently employs 74 differently abled people at its call centers.

The Company is focused on expanding its services in rural areas and promotes schemes such as basic sachet packs starting at ₹ 19/- and top-up of ₹ 10/- with a minimum recharge of ₹ 49/- in order to provide affordable access to communication to the economically disadvantaged population.

Vodafone Idea has set-up its distribution network to cater to customers with its vast variety of services. As of March 31, 2021 there are 2,792 branded stores and 9.6 lakh retail touch points to service customers.

In order to cater to remote communities, Vodafone Idea organizes camps in rural areas for customers there to easily access its service. The Company has also set-up call centers in Tier 2 and Tier 3 cities so as to reach out to the rural customers. Approximately 46% of the call center agents are female as part of gender equality vision.

The Company also provides Interactive Voice Response (IVR) in 15 languages so that customers are able to understand and avail services.

Vodafone Idea has launched technology led initiatives aimed at improving information access and quality of life for non-urban communities across the country by leveraging

the technology in several domains - education, agriculture, health and safety, financial literacy and livelihood generation. Details of such initiatives are provided under Principle 8 of this BRR.

SEBI – BRR Questionnaire Responses for Principle 4:

1. Has the Company mapped its internal and external stakeholders?

Ans: Yes, Vodafone Idea has mapped its key internal and external stakeholders, which include employees, licensors, industry associations, regulators, network operators and subscribers.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Ans: Vodafone Idea is a Pan-India integrated GSM operator offering 2G, 3G and 4G services, and has achieved deep rural penetration. The Company has enhanced network reach and covers 487,000 towns and villages. Vodafone Idea has around 2,792 branded stores and over 9.6 lakh retail touchpoints to service customers.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Ans: Vodafone Idea recognizes its responsibility for the rural and the economically challenged population of the country and has generated local employment and deployed various rural-focused mobile solutions. The Company has specific projects in the domains of education, health, sustainable livelihood, agriculture etc. Company has leveraged the power of technology to promote digital education, financial literacy, enhancing sustainable livelihood opportunities, promoting IOT based farming practices to improve the socio-economic condition of the farmers and land productivity.

Principle 5: Businesses should respect and promote human rights:

Vodafone Idea sincerely supports a culture of respect and promotes human rights. The Company is of the firm belief that every employee should be able to live with social and economic dignity and with freedom, irrespective of his nationality, gender or religion. The Company complies with all applicable local, state and national laws regarding human rights and worker's rights wherever it does business.

Vodafone Idea has adopted a Human Rights Policy that reflects respect for human rights and is free from all discrimination and harassment. Reinforcing its dedication to human rights issues, Idea has adopted a Human Rights Policy that outlines the Company's commitment to developing a culture of respect and support for human rights - including diversity in workplace, provision of secure environment for all personnel, pro-active communications, and contribution to socio-economic development of communities where the Company operates.

The Company believes in positively influencing the protection of human rights within its sphere of influence. It encourages and supports its key suppliers and vendors to uphold and create awareness about human rights in their operations.

The Company's key vendor contracts mandate including clauses against use of forced and child labour, worker safety and hygiene and the absence of abuse and intimidation etc.

SEBI – BRR Questionnaire Responses for Principle 5:

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

Ans: The Company's Human Rights Policy is applicable to all employees of VIL and its subsidiaries and suppliers.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Ans: No complaints related to human rights were received in the past financial year.

Principle 6: Business should respect, protect, and make efforts to restore the environment

As the global telecom industry grows increasingly cognizant of the fact that it needs to lighten its carbon footprint, Vodafone Idea is one of the leaders in the search for green energy options in India. Efficient power management, infrastructure sharing, use of eco-friendly renewable energy sources, leveraging the latest technology to reach out to a large audience in the most energy efficient manner such as video and teleconferencing, smart logistics, etc. are some of the best practices in Vodafone Idea's network infrastructure and day-to-day business operations. The primary focus of the energy conservation drive has been on reducing energy cost and minimizing environmental impact of the Company's operations. The Company is constantly asking its vendors

to focus on highest energy efficient category equipment. Based on this principle, 100% of all new telecom hardware procurement in Financial Year 2020-21 comprise of low power consuming telecom hardware. At the same time, modernizing of old equipment into new and energy efficient telecom hardware continues to be a key focus.

In Financial Year 2020-21, Vodafone Idea continued to adopt environmentally sustainable practices in our transactions with the same foundational objectives laid down as part of Green Idea as well as VIL's Energy and Carbon Management Policy:

1. Consider Energy Performance when operating VIL's infrastructure;
2. Continue with the procurement of most energy efficient Telecom Hardware; and
3. Encourage Infrastructure Provider partners to adopt low carbon operations.

The track record of Financial Year 2020-21 stands as below:

- Over 75% of Vodafone Idea's BTS portfolio - Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS);
- Over 55,000 sites from IP Partners are green sites or Non-DG sites;
- Diesel elimination project initiated by VIL to reduce carbon footprint implemented at over 16,000 sites resulting in reduction in Diesel consumption by over 6 Mn Litres in Financial Year 2020-21;
- Power saving features implemented to reduce energy consumption;
- 100% of the telecom hardware procurement comprise of low power consuming telecom hardware; and
- RET based generation through PPAs, against Vodafone Idea's consumption is 8.85 MW.

Following initiatives undertaken by the Company in the past continued to run smoothly delivering the intended objectives to utilize alternate sources of energy:

- **Exclusive Solar solutions at over 3000 sites**
- **On-Site Solar implementation:** 25 KW of installed capacity continued to be in operation.
- **Off-Site Renewable Energy (RE) Deployment:** This concept was also initiated in Financial Year 2015-16 based on Carbon abatement principle and it continued to be in service in Financial Year 2020-21:
 - 6 MW Solar PPA (Power Purchase Agreement) in Andhra Pradesh;

- 2 MW Wind PPA in Karnataka;
- 1 MW Solar PPA in Madhya Pradesh;
- Dedicated 0.6 MW wind PPA in Tamil Nadu (including Chennai), 5.3 MW Solar PPA, as well as other additional wind and solar PPA generating 3.8 Mn kWh;
- Two - solar/wind PPA for 2.5 MW and 2.07 MW in Maharashtra has been implemented; and
- In addition we also have 2 hydro PPA at Delhi 0.6 MW and 0.5 MW respectively.

SEBI – BRR Questionnaire Responses for Principle 6:

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

Ans: The Energy and Carbon Policy of VIL extends to all its subsidiary companies and joint ventures with an interest of 51% or more or management control.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Ans: Vodafone Idea is continuing its sustainability journey with special focus on energy efficiency and emission reduction. This ultimately furthers the Company's commitment to addressing global environmental issues such as climate change and global warming. The emission levels of the Network is base lined as of Financial Year 2012-13 and being tracked annually as per DoT guidelines. Under this initiative, more than 3,000 telecom sites are operational with solar hybrid energy solutions. More Examples of key initiatives are described under Principle 2, 6 and 8 in this section of the Business Responsibility Report.

3. Does the Company identify and assess potential environmental risks? Y/N

Ans: Vodafone Idea has always been sensitive to the environmental impact of Telecom Network operations and has proactively adopted environmental sustainable practices whenever such opportunities were/are available:

- Renewable energy PPA;
- Using Renewable Energy Technologies (RET) for powering towers during grid failure;
- Reduce diesel consumption at telecom sites;
- Using energy efficient hardware;

- Leverage Infrastructure Provider Green sites to reduce diesel consumption across our portfolio; and
- Convert Indoor sites to outdoor to reduce air conditioner usage.

In all such cases, Vodafone Idea adopted only commercially viable models which offered business benefits to all stakeholders involved. Reduction in CO2 emission and reduction in operating costs were the driving forces in all its initiatives.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Ans: Vodafone Idea does not have any project related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Ans: Apart from installation of energy efficient hardware, Vodafone Idea through Infrastructure providers has adopted low carbon technologies including green sites, solar hybrid sites, outdoor sites and Renewable PPA. Details of these initiatives are provided above.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Ans: Vodafone Idea gives greatest importance to the issue of GHG emissions and waste generated from its operations and follows all pertinent Govt. guidelines to be environment friendly. EMF radiation, and its commitment in this regard is evident from the Company's stringent monitoring systems and financial investment in emissions testing equipment. All of the Company's network sites are in compliance with the relevant radiation limits prescribed by the regulatory agency.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Ans: None

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

As one of the leading mobile operators in the country, Vodafone Idea advocates policies that can spur socio-economic growth as well as the growth of the telecom sector, promoting development, inclusive growth and access to information through programs such as Digital India. Vodafone Idea is an active player in the following national and international industry associations (either directly or through its subsidiaries):

1. The Associated Chambers of Commerce and Industry of India (ASSOCHAM);
2. Federation of Indian Chambers of Commerce and Industry (FICCI);
3. Confederation of Indian Industry (CII);
4. Cellular Operators Association of India (COAI);
5. GSM Association (GSMA);
6. European Business Group (EBG);
7. UK India Business Council (UKIBC);
8. US India Business Council (USIBC);
9. Telecom Sector Skill Council of India; and
10. Telecommunications Standards Development Society, India (TSDSI).

Through its association with the above bodies, Vodafone Idea actively participates in discussions relating to policy development on several issues pertaining to the telecom industry, including restoration of financial health of the sector, creation of a sustainable investment climate, development of a world class communications infrastructure, ease of doing business, Right of Way (RoW) policies & processes, enabling the evolution and development of emerging technologies such as 5G, IOT/M2M, Data Analytics, Artificial intelligence, etc. framework for privacy and data protection, network security, and the public protection and disaster management policies/networks.

Vodafone Idea is represented on various industry fora as Chair of the Assocham National Council on Digital Communications, Chair of the Telecom Sector Committee of EBG, co-Chair of the FICCI Communication and Digital Economy Committee, Co-Chair of the Sub Committee on Financial Stability, CII, and a member of the GSMA Public Policy Group. Through its active participation in various industry bodies, Vodafone Idea advocates on various telecom

industry issues as also attempts to drive a consensus driven approach to further the Government's vision of a Digital India. The Company through the Managing Director & Chief Executive Officer is on the governing body of Telecom Sector Skill Council.

The Company is also involved in the activities of TSDSI, which is a not for profit legal entity in a PPP mode with participation from stakeholders including Governments, service providers, vendors, manufacturers, academic institutes and research laboratories.

Vodafone Idea is a key member of the COAI and currently holds the position of Chairman, COAI through its Managing Director & Chief Executive Officer. Its senior executives are Chair/ Co-chair of various Committees of the industry body. Vodafone Idea is also associated with the GSMA and works closely with the association on various industry programs such as making India 5G ready, M2M and standards for E-SIM, spectrum related issues such as identification of globally harmonized bands for IMT, reasonable approach to spectrum pricing, etc.

SEBI – BRR Questionnaire Responses for Principle 7:

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

Ans: Yes. Vodafone Idea is a member of several key Indian and global industry associations. Some of these are (as mentioned in the paragraph above):

1. Cellular Operators Association of India (COAI);
2. The Associated Chambers of Commerce and Industry of India (ASSOCHAM);
3. Federation of Indian Chambers of Commerce and Industry (FICCI);
4. Confederation of Indian Industry (CII);
5. GSM Association (GSMA);
6. European Business Group (EBG);
7. UK India Business Council (UKIBC);
8. US India Business Council (USIBC);
9. Telecom Sector Skill Council of India; and
10. Telecommunications Standards Development Society, India (TSDSI).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas (drop box: Governance

and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others.

Ans: Vodafone Idea is a core member of the COAI. The industry body is the lead interlocutor between the policymaker (DoT), the Regulator (TRAI), and the eco-system at large. The association has been involved in facilitating a smooth and productive dialogue with the Government on behalf of the operators in the country, on various public policy matters such as restoration of financial health of the sector, seeking reduction in regulatory levies, GST related issues, spectrum related matters, streamlining of various processes and making them online for ease of doing business, aligning State right of way policies and charges with Central ROW Rules 2016 and automating processes, participating in consultation processes on tariffs, inter-connection, international termination charges, enhancement of scope of infrastructure providers, traffic management practices, privacy and data protection bill, etc.

Vodafone Idea has also participated in various GSMA programs designed for best practice sharing such as its workshop on 5G perspectives around technology & competition, etc.

Principle 8: Businesses should support inclusive growth and equitable development

Inclusive growth and equitable development is core to the Company's ethos. One of the Company's mission pertains to Community – Be the most respected Company by leveraging technology and purposeful innovation to catalyze social prosperity, digital literacy and inclusivity.

Moreover, Company's roadmap for Social Inclusion and Equitable Development aims at ensuring maximum people are included and empowered by connecting them to sustainable economic growth. This objective is guided by its four Social Pillars:

1. Bringing Digital Divide and Bringing all underprivileged into digital Presence;
2. Ensuring Inclusion at work;
3. Creating opportunity for marginalized section of the society and integrating them to mainstream of the society; and
4. Community development and nation building through sustainable development.

Vodafone Idea's objective and contribution towards achieving inclusive growth and equitable development are accomplished by:

- Reaching to unreached people through robust network and far reaching distribution – Vodafone Idea is a fully integrated telecom services provider offering its over 256.1 million (on VLR as of March 2021) mobile subscribers a choice of national, international and internet services. The Company's services are available in over 487,000 remote towns and villages across India.
- At Vodafone Idea, we realize that Diversity and Inclusion at the workplace helps foster an open and healthy work environment and is critical to our business strategy. We believe Women at various management levels bring plurality, diverse thinking, varied leadership styles and values. To build a diverse internal team, we need to focus on creating a supportive ecosystem to hire, engage and retain women talent. We are enabling women in the workforce by taking care of their professional and personal needs depending on their life stage. Hence we have introduced new policies like maternity policy, travel policy, reach home support, flexible hours and remote location etc. Each of which offers more flexibility and comfort to shoulder these life stage demands and be effective at work.
Enhancing women proportion in the organization continues to be our focus area. In order to create a Company culture with leadership commitment towards gender inclusion, we have also introduced capability enhancement for women, gender sensitization workshops and employee assistance program.
- Consistently innovating new business models like mobile money, which are focused intervention for overcoming the sustainability barriers.

SEBI – BRR Questionnaire Responses for Principle 8:

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Ans: Yes. Despite, the year being a difficult one because of the Pandemic (COVID-19), project activities kept going on using the technology platforms that have been developed during the years under different projects. The focus of projects included promoting and development of (a) education, (b) financial literacy, (c) empowerment of women, (d) healthcare, (e) environment, (f) agriculture & livelihood, (g) eradication of poverty. During the year 28.5 lakh people were benefitted across 17 States.

Brief of the projects undertaken during the year is as below:

- **Jigyasa – Building knowledge for life** – It is a flagship education programme of the Company. It aims to build knowledge for life and addresses some of the most pressing concerns faced by education sector in India by building the capacity of teachers, introducing digital content in the classroom to make learning and teaching more enjoyable, and augmenting existing infrastructure as needed. It also addresses another pressing concern of the education sector – limited awareness and access to scholarships. We have developed India's largest multi-lingual scholarship discovery and assistance platform – www.learningwithvodafoneidea.in which curates information of scholarships. The outreach of the project is Primary and Upper primary schools i.e. students in Standard 1 to 8 across five States which are Uttarakhand, Uttar Pradesh, Madhya Pradesh, Rajasthan and Chhattisgarh where digital infrastructure is available. The project has benefitted 2,00,000 students and 12,000 teachers across 2,200 schools. The programme is implemented in partnership with Centre for Knowledge Development, IPE Global.
- **Scholarship:** Building on the learnings from school education initiatives, a dedicated scholarship project for deserving students and to acknowledge outstanding teachers by giving them a one-time financial support for their academic endeavors was initiated. Under the initiative, 2,500 scholarships for the students and incentive to 200 teachers who are real change makers have been provided. The project is implemented by in-house CSR Team using in-house developed scholarship portal.
- **Health Entrepreneurs – Diagnostic Tests:** Building on the learnings from the project of past years, school children were screened for Anaemia and built Community Health Entrepreneurs (CHE). The project has conducted diagnostic test for anaemia around 3,00,000 students. It has also raised awareness amongst the people about the significance of diagnostic tests in general and on critical parameters of anaemia in particular. It is implemented in partnership with Public Health Technologies Trust. During the reporting year the project has benefitted students across four States- Bihar, Chhattisgarh, Uttarakhand and Telangana.
- **Financial literacy - Jaadu Ginni Ka:** Using the power of mobile technology, flagship programme on

financial literacy aims to create awareness amongst youth, urban poor, farmers, artisan, rural women, micro-entrepreneurs, students (15 years and above) on the basic tenets of financial planning/management and on several government schemes. During the year project has benefitted 20 lakh people across Assam, Jammu & Kashmir, Himachal Pradesh, Madhya Pradesh, Jharkhand, West Bengal, Tamil Nadu, Uttarakhand, Uttar Pradesh, Rajasthan, Odisha, Maharashtra, Andhra Pradesh and Gujarat. To make the people aware with the basic aspects of day to day financial things seven customized vans in association with CSC academy were started under its Gali-Gali Gaon-Gaon component and is operational in Uttar Pradesh, Maharashtra, Rajasthan, Karnataka, Odisha, Bihar and Gujarat. The project is implemented in partnership with Learning Links Foundation and NIIT Foundation.

- Connecting for Good:** The project aims to foster the ecosystem for promoting the use of technology in addressing social challenges and empower NGOs to drive innovation, disseminate knowledge and upscale their interventions for greater impact through the development of Social App Hub and Solution for Good. Social App Hub, www.socialapphub.com, is first-ever crowdsourcing platform, curating mobile solutions with social impact. The platform is also a knowledge hub that disseminates information on 'TechforGood' space and builds awareness around the use of mobile and wireless technology as a platform to deliver social impact. Social App Hub features over 800 apps and offers a plethora of knowledge: case studies, articles, directories and multiple case studies on how mobile technology has created impact at the grass roots, Pan-India across socio-economic indicators. Similarly, Solution for Good focuses on building innovative technology solutions that addresses the social challenges and have large scale replicability. The technology solutions helps the non-profit organizations to effectively scale their operations and efficiently reach their intended impact. The project is implemented in partnership with NASSCOM Foundation.
- Digital Village:** The project has two components - creating model village and Empowering Communities - RUDI Sandesha Vyavhar (RSV). During the reporting year Model village project of previous year was continued and completed, RSV project was upscaled by adding more RUDIbens from Madhya Pradesh, Rajasthan and Uttar Pradesh.

- Model Village:** Under the project 24 model villages have been created in Gadchiroli District, Maharashtra in partnership with Village Social Transformation Foundation. The thrust under the project is on convergence of Central and State Government schemes for socio-economic development of Gram Panchayats. Each Gram Panchayat is provided untied fund of ₹ 10 lakh as Gram Kosh. In addition the project focuses on empowering people by promoting their participation in the development activities and making them aware with their rights and entitlements.
- Empowering Communities - RUDI Sandesha Vyavhar:** The project aims to create rural micro entrepreneurs by leveraging the strength of technology and support rural women in setting up local supply chain system right from procurement of raw produce to finishing and selling of these products by local rural women. 6,200+ rural women are directly benefitted under the project. They have been trained on setting up processing centres, use of RSV mobile application to sell agro food products and managing end to end activities. Six processing centres have been set-up two each in Madhya Pradesh, Rajasthan and Uttar Pradesh. The project is being implemented in partnership with Mahila Sewa Trust.
- Smart Agri:** The project aims to deliver a comprehensive solution on smart agriculture using tech-based approach to improve agriculture practices, farm yield, revenues and overall quality of life for farmers. Building on the project activities of previous year 55,000+ farmers from Madhya Pradesh and Maharashtra are being provided real time information (farm advisory) related to weather, soil moisture, pest etc. for timely farm inputs. The real time information are being collected through IOT based solutions like automated weather station, sensors, crop view camera and insect trap. These information are being analysed by the agri experts and converted into farm advisories. Farmers are being provided regular training and handhold support to apply correct and timely farm inputs. The initiative is under implementation in Madhya Pradesh and Maharashtra in partnership with Solidaridad Regional Expertise Centre.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Ans: During the year CSR initiatives were implemented by in-house CSR Team, Vodafone Foundation and also

through implementation partners. Our implementation partners were:

- a. Centre for Knowledge Development, IPE Global;
- b. Buddy 4 Study Foundation;
- c. Learning Links Foundation;
- d. NIIT Foundation;
- e. Public Health Technologies Trust;
- f. NASSCOM Foundation;
- g. Mahila SEWA Trust;
- h. Village Social Transformation Foundation; and
- i. Solidaridad Regional Expertise Centre.

3. Have you done any impact assessment of your initiative?

Ans: Yes. The impact assessment of the projects implemented during the Financial Year 2019-20 have been conducted by KPMG. Some of the major highlights of the impact assessment are mentioned below. Apart from impact assessment, concurrent monitoring of the project takes place during the implementation of the project.

- Jigyasa project: 93% Teachers are using ICT for delivering lessons and 99% teachers reported satisfaction from the training conducted under Jigyasa project.
- Jaadu Ginni Ka: 97% beneficiaries have bank account after training, 71% beneficiaries are using mobile/ internet banking and 77% reported improved savings because of project activities.
- Digital Village:
 - o RSV: 72% beneficiaries reported an enhancement in their business skills such as enhancing the number of customers and sales through faster order and delivery for garnering the trust of customers and also reported improvement in their personality development, communication skills and confidence. 85% beneficiaries reported an increase in their income.
 - o Model Village: 70% of the respondents indicated that their suggestions were included in the Gram Panchayat Development Plan. 98% of respondents reported positive impact on income and cattle health because of Animal Husbandry and 53% of respondents observed increase in fertility of soil and productivity.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

Ans: For Financial Year 2020-21, Company's CSR spent was around ₹ 316.82 Mn.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Ans: Yes. The design of our all projects have inbuilt components of sustainability and adoption of the initiative by the community. For example under Jigyasa programme, teachers were trained on teaching methodologies and on use of digital learning materials which they used very effectively to outreach students during the Pandemic time. This not only helped in building the capacity of the teachers but also helped in ensuring continuation of students' learning during the Pandemic. Similarly, RUDIbens (Rural Micro Women Entrepreneurs) trained and supported under the project are managing and running the processing centres in Gujarat at their own.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company uses the power of technology to enhance the customers' lives – through ubiquitous presence and connectivity through our Pan-India urban and rural coverage. Innovative and truly differentiated offerings reflect the passion with which the Company aims to serve the customers always.

Vodafone Idea keeps Customers at the heart of the business. The Company's focus on Customers is based on its Value Book, which highlights the need for timely response to its internal and external customers; strive to finish before a deadline and to choose the best rhythm to optimize organizational efficiencies.

The Company strives to be the most loved brand by continuously raising the bar in delivering simple, delightful experience and meaningful innovations, through new age technologies. It constantly endeavors to meet customer needs, adding value and exceeding their expectations.

The Company strongly believes in being ethical about its operations with customers. Hence, it engages with its customers in a transparent manner by displaying all the

tariff plans on the web in an unambiguous manner. This information is easily accessible to customers either by telecom circle or by package. Vodafone Idea addresses its customers' need to be constantly updated about their usage through instantaneous pop-up messages informing them about their data consumption and balance left. The Company also installs its network devices in a way that maintains data integrity, confidentiality and availability while preventing unauthorized use of confidential data.

Vodafone Idea always focuses on meeting and exceeding customer needs. Some innovative initiatives in this regard include a quick and easy way of 'Electronic top-up' for recharging accounts, camps in rural areas for providing education on mobile, and provision of customer care services in vernacular languages. The Company has also introduced several Value Added Services (VAS) focusing on education, health and family care for rural population. At urban locations, kiosks are set-up at select Service Centers to create awareness about data (2G, 3G & 4G) services that the Company offers.

In order to service customers better and to bring in stronger governance in Store operations, concept of company owned operated neighborhood stores was introduced. Currently, the Company has around 2,792 branded stores across the country.

Customer satisfaction is of prime importance to the Company. A customer satisfaction study is conducted regularly in order to track the quality of customer experience with Company's product and services and to benchmark the Company's performance with respect to its competitors.

Vodafone Idea acknowledges the needs of data customers through conducting focused diagnostic study amongst these customers to understand and address their specific network, product, communication and service expectations. Vodafone Idea Loyalty segment customers too are covered through a similar program.

The Company has a feedback mechanism through which it takes feedback from customers on a daily basis through Touch-point Net Promoter Score (TNPS) wherein, an SMS is sent to customers seeking feedback on the quality of service provided to him after he / she has contacted any of the Company's touch points. This on-going Instant feedback from customers help in improving the Company's processes. After the surveys are completed, the results are presented

to the senior management team and detailed action plans are prepared specific to all the concerned functions. The same are tracked at periodic intervals to ensure that the execution meets the planning requirements leading to higher customer satisfaction.

SEBI – BRR Questionnaire Responses for Principle 9:

1. What percentage of customer complaints/ consumer cases is pending as on the end of financial year?

Ans: Out of the total calls received by the Company from customers, approximately 3.18% are related to complaints. 0.63% of the total complaints received during Financial Year 2020-21 were in an open stage as on March 31, 2021. The rest were closed satisfactorily.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A / Remarks

Ans: The Company adheres to all product labeling and product information requirements as per the law of the land. Transparency in tariff through detailed plans being available on the website for consumers and focus on responsible advertising is the hallmark of Vodafone Idea.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Ans:

- Cases related to irresponsible advertising: None;
- Cases related to unfair trade practices (Under Consumer Protection Act): 299 cases; and
- Cases related to anti- competitive behavior (Under Competition Act): There is no case pending in relation to anti-competitive behavior as on March 31, 2021.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Ans: The Company conducts monthly C-SAT/NPS survey as well as other assessment surveys.

Independent Auditor's Report

To the Members of Vodafone Idea Limited Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Vodafone Idea 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 standalone 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 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 standalone 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 standalone 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 standalone Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the financial statements, which describes the Company's financial condition as at March 31, 2021 and its debt and AGR obligations due for the next 12 months. The Company's financial performance has impacted its ability to generate

the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due, which along with its financial condition is resulting in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern.

The said assumption of going concern is essentially dependent on its ability to raise additional funds as required in line with the approval by the Company's board of directors in its meeting on September 4, 2020, successful negotiations with lenders on continued support, refinancing of debts, monetisation of certain assets, outcome of the modification application filed with the Hon'ble Supreme Court and clarity of next installment amount, acceptance of its deferment request by DoT and generation of cash flow from its operations that it needs to settle/renew its liabilities/guarantees as they fall due. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue recognition <i>(as described in note 5(a) of the Standalone Ind AS financial statements)</i></p> <p>For the year ended March 31, 2021, the service revenue recognised was ₹ 416,589 million.</p> <p>Revenue recognition has been identified as a key audit matter due to complexity of systems in recognizing revenues, significance of volumes of data process by system, constantly evolving pricing with discounted tariffs and operation in highly competitive marketplace.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • With the assistance by IT specialists, we obtained an understanding, evaluated the design and tested the operating effectiveness of key IT general and application controls related to revenue recognition processes. We also tested relevant IT infrastructure and applications that result in generation of various IT reports used for billing and revenue recognition process. • We tested the operating effectiveness of IT dependent manual controls, performed data analytics and trend analysis, test of reconciliations between billing systems and other IT systems, prepaid applications and the general ledger. We also performed procedures to test the computation of deferred revenue. • We read and assessed the revenue related accounting policy, critical estimates and assumptions and disclosures in the standalone Ind AS financial statements.
<p>Assessment of claims related to regulatory, taxation and legal matters <i>(as described in note 42, 3 and 40(vii) of the Standalone Ind AS financial statements)</i></p> <p>At March 31, 2021 the value of regulatory, tax and legal disputes disclosed as contingent liabilities was ₹ 170,795 million.</p> <p>Pursuant to the Hon'ble Supreme Court judgement, Company has recorded the provision for AGR of ₹ 442,083 million during FY 2020-21 and ₹ 228,110 million during FY 2019-20. Further, the Company has also recorded provision of ₹ 5,027 million during FY 2020-21 and ₹ 38,871 million during FY 2019-20 for one time spectrum charges for more than 6.2 MHz spectrum.</p> <p>Taxation, regulatory and litigation exposures have been identified as a key audit matter due to changing regulatory environment and significant judgement required by management in assessing the exposure of each case.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained summary of all tax, regulatory and litigation including management's assessment. • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to management's risk assessment process for taxation, regulatory and legal matters. • We obtained and read external legal opinions (where considered necessary) and other evidences provided by management to corroborate management's assessment of the regulatory and legal matters. • Engaged tax/regulatory specialists to assess the tax/regulatory positions taken by management with respect to tax/regulatory litigations. • Verified the provisions recorded in the books by the Company including the interest computations based on the demands received by the Company from DoT, internal records of the Company based on the Hon'ble Supreme Court judgement and validated the computations in accordance with licence agreement and Hon'ble Supreme Court judgement for the provisions recorded in the books. • Assessed the relevant accounting policies and disclosures in the standalone Ind AS financial statements for compliance with the requirements of accounting standards.
<p>Borrowings, interest and debt covenant testing <i>(as described in note 21 of the Standalone Ind AS financial statements)</i></p> <p>At March 31, 2021, current and non-current borrowings including interest accrued and AGR liability was ₹ 1,867,790 million and bank guarantee was ₹ 239,981 million.</p> <p>Annual covenant testing as at March 31, 2021 resulted in certain ratios breaching the specified covenant threshold for loans aggregating ₹ 98,745 million. Accordingly, the Company has classified ₹ 85,472 million from non-current borrowings to current maturities of long-term debt.</p> <p>Borrowings has been identified as a key audit matter due to debt covenant breach, change in credit ratings of the loans and various correspondences received from banks and financial institutions for additional security/increase in interest/commission rate resulting in recognition, presentation and measurement complexities.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the debt covenant ratio specified in the loan agreements and the computation and assessed the classification of the borrowing in financial statement based on the results of such testing and waiver from the bank, if any. • We obtained independent confirmation from the bank with respect to borrowings and non-fund based facilities [including bank guarantees/letter of credit] outstanding as at March 31, 2021 and compared the amounts as per confirmations with the amounts in the books of accounts and tested with the reconciliation provided by the management. • We verified the interest/commission rate used by the Company for computation of interest cost with the loan/bank guarantee agreements and various correspondences received by the Company from respective banks and corresponding increase in rates due to non-remediation of debt covenant and downgrade in credit rating. • We verified the security created against fund and non-fund facilities with the agreements and documents related to charges filed with Register of Companies. • We assessed the borrowing related accounting policy and disclosures in the standalone Ind AS financial statements for compliance as per Ind AS 107.

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report is expected to be made available to us after that date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. 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 standalone 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 standalone 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 Standalone Ind AS Financial Statements

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 standalone 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 by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019;
 - (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, 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 standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2021 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;
 - (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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 42 to the standalone Ind AS financial statements;
 - ii. The Company did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Nilangshu Katriar**

Partner

Membership Number: 58814

UDIN: 21058814AAAABA2190

Place: Mumbai

Date: June 30, 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 Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including situation and quantitative information except for network assets being relocated as part of network integration activity, which are pending updation in the records maintained by the Company.
- (b) The Company has a programme of physical verification of fixed assets to cover all the items in phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to such programme, physical verification for a portion of fixed assets due during the year has not been completed by the management due to COVID 19. Hence, we are unable to comment on the discrepancies, if any, that may arise upon such verification.
- (c) According to information and explanations given by the management and based on the examination of the financial statements/registered deed/transfer deed/conveyance deed/court approved scheme of arrangements or amalgamations, the title deeds of all freehold land, leasehold land and buildings disclosed as property, plant and equipment are held in the name of the Company. In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statement, based on our examination of the lease agreements/court approved scheme of arrangements or amalgamations, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (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. 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 loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to Telecommunication Services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to sales tax, service tax, value added tax 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, duty of custom, goods and service tax, cess and other material statutory dues were outstanding, as at March 31, 2021 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
Income Tax Act, 1961	Income Tax	Assessing Officer	2001-2002, 2003-2004, 2006-2014	756
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	2015-2016, 2017-2018	18,186
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax (Appeals)	2013-2014, 2017-2018	133
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2000-2001, 2002-2019	55,804
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2001-2002, 2003-2004, 2005-2006, 2008-2009	119
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax (Appeals)	2019-2020	42
Income Tax Act, 1961	Income Tax	Dispute Resolution Panel	2015-2016	1,667
Income Tax Act, 1961	Income Tax	High court of Andhra Pradesh	2009-2016	271
Income Tax Act, 1961	Income Tax	High Court of Bihar	2008-2010	28
Income Tax Act, 1961	Income Tax	High Court of Bombay	2006-2008, 2013-2014	1,354
Income Tax Act, 1961	Income Tax	High Court of Delhi	2004-2005, 2010-2011	17
Income Tax Act, 1961	Income Tax	High Court of Gujarat	2002-2004, 2007-2010	362
Income Tax Act, 1961	Income Tax	High Court of Haryana	2008-2009	1,947
Income Tax Act, 1961	Income Tax	High Court of Hyderabad	2003-2009, 2013-2015	241
Income Tax Act, 1961	Income Tax	High Court of Karnataka	2007-2015	3,871
Income Tax Act, 1961	Income Tax	High Court of Kolkata	2003-2004, 2009-2013	280
Income Tax Act, 1961	Income Tax	High Court of Madras	2006-2008, 2011-2014	116
Income Tax Act, 1961	Income Tax	High Court of Punjab & Haryana	2009-2011	39
Income Tax Act, 1961	Income Tax	High Court of Rajasthan	2010-2013	44
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2003-2015, 2016-2017	121,718
Income Tax Act, 1961	Income Tax	Supreme Court of India	2004-2010	110
Total of Income Tax				207,103
The Customs Act, 1962	Custom Duty	Assistant/Deputy Commissioner of Customs	1999-2000, 2012-2015, 2020-2021	7
The Customs Act, 1962	Custom Duty	Commissioner of Customs	1999-2000, 2001-2002, 2004-2005, 2014-2020	116
The Customs Act, 1962	Custom Duty	Commissioner of Customs (Appeals)	2007-2016, 2017-2021	336
The Customs Act, 1962	Custom Duty	Customs Excise & Service Tax Appellate Tribunal	2005-2019	7,225
The Customs Act, 1962	Custom Duty	Deputy Commissioner of Customs	2014-2015, 2020-2021	38
The Customs Act, 1962	Custom Duty	High Court of Bombay	2008-2009	7
The Customs Act, 1962	Custom Duty	Supreme Court of India	2001-2003, 2006-2007, 2008-2009	205
Total of Custom Duty				7,934
The Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise	1999-2000	7
The Central Excise Act, 1944	Excise Duty	Customs Excise & Service Tax Appellate Tribunal	2003-2005	8
Total of Excise Duty				15
The Finance Act, 1994	Service Tax	Amnesty Scheme	2004-2009, 2010-2011, 2012-2015	68
The Finance Act, 1994	Service Tax	Assistant Commissioner of Service Tax	2007-2011	23
The Finance Act, 1994	Service Tax	Commissioner of Central Excise & Service Tax (Appeals)	2007-2018	286
The Finance Act, 1994	Service Tax	Commissioner of Service Tax	1995-2000	5

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
The Finance Act, 1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal	1999-2001, 2003-2018	74,422
The Finance Act, 1994	Service Tax	Deputy Commissioner of Service Tax	2015-2017	-*
The Finance Act, 1994	Service Tax	High Court of Andhra Pradesh	2004-2009	25
The Finance Act, 1994	Service Tax	High Court of Bombay	2004-2013	284
The Finance Act, 1994	Service Tax	High Court of Calcutta	2005-2008	52
The Finance Act, 1994	Service Tax	High Court of Delhi	2004-2012	91
The Finance Act, 1994	Service Tax	High Court of Gujarat	2006-2008, 2009-2011	107
The Finance Act, 1994	Service Tax	High Court of Hyderabad	2007-2009	320
The Finance Act, 1994	Service Tax	High Court of Karnataka	2004-2009	101
The Finance Act, 1994	Service Tax	High Court of Kerala	1999-2001, 2003-2004	24
The Finance Act, 1994	Service Tax	High Court of Madras	2004-2009	167
The Finance Act, 1994	Service Tax	High Court of Punjab & Haryana	2004-2008	91
The Finance Act, 1994	Service Tax	High Court of Rajasthan	2011-2013	19
The Finance Act, 1994	Service Tax	High Court of Judicature at Allahabad	2005-2007	97
The Finance Act, 1994	Service Tax	Joint Commissioner of Central Goods and Service Tax	2008-2012	24
The Finance Act, 1994	Service Tax	Supreme Court of India	1999-2018	2,069
Total of Service Tax				78,274
Central Goods and Services Tax Act, 2017	Goods and Services Tax	Additional Commissioner (Appeals)	2017-2019	1
Central Goods and Services Tax Act, 2017	Goods and Services Tax	Joint Commissioner (Appeals)	2020-2021	3
Central Goods and Services Tax Act, 2017	Goods and Services Tax	Joint Commissioner of State GST (Appeal)	2017-2018	-*
Central Goods and Services Tax Act, 2017	Goods and Services Tax	State Tax Officer	2020-2021	4
Total of Goods and Service Tax Act				8
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	Appellate Tribunal	2002-2004	2
Bombay Sales Tax Act, 1959	Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2001-2005	18
Delhi Sales Tax Act, 1975	Sales Tax	Additional Commissioner (Appeals)	2002-2003	2
Delhi Sales Tax Act, 1975	Sales Tax	Appellate Tribunal	1997-2005	155
Gujarat Sales Tax Act, 1969	Sales Tax	Appellate Tribunal	1997-2002	17
Haryana General Sales Tax Act, 1973	Sales Tax	Assessing Officer	2002-2003	79
Jammu and Kashmir General Sales Tax Act, 1962	Sales Tax	Assessing Officer	2016-2017	199
Kerala Sales tax Act, 1963	Sales Tax	Appellate Tribunal	1997-1998	-*
Kerala Sales tax Act, 1963	Sales Tax	Assistant Commissioner	1998-1999	-*
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	Appellate Tribunal	2000-2001	-*
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	Appellate Tribunal	2003-2004	-*
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner	2012-2013	-*
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner (Appeals)	2010-2011	-*

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner of Commercial Taxes	2011-2012, 2016-2017	5
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner of Sales Tax (Appeal)	2011-2014, 2016-2017	1
The Central Sales Tax Act, 1956	Sales Tax	Amnesty Scheme	2009-2010, 2011-2018	95
The Central Sales Tax Act, 1956	Sales Tax	Appellate Authority	2011-2012, 2015-2016	37
The Central Sales Tax Act, 1956	Sales Tax	Appellate Board	2013-2014	-*
The Central Sales Tax Act, 1956	Sales Tax	Appellate Deputy Commissioner	2017-2018	-*
The Central Sales Tax Act, 1956	Sales Tax	Appellate Tribunal	2013-2014, 2015-2016, 2005-2008	102
The Central Sales Tax Act, 1956	Sales Tax	Assessing Officer	2007-2012, 2013-2017	10
The Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner	2013-2014, 2015-2018	6
The Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner Appellate Authority	2011-2012	2
The Central Sales Tax Act, 1956	Sales Tax	Commercial Tax Officer	2013-2015	1
The Central Sales Tax Act, 1956	Sales Tax	Commissioner of Commercial Taxes (Appeal)	2010-2012, 2014-2015	1
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner (Appeals)	2014-2017	5
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Commercial Taxes	2011-2013	8
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Sales Tax (Appeal)	2013-2017	5
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of State Tax	2013-2016	18
The Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner (Appeals)	2012-2013	-*
The Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2008-2009, 2012-2016	121
The Central Sales Tax Act, 1956	Sales Tax	Joint Excise and Taxation commissioner (Appeal)	2007-2008, 2012-2013	-*
The Central Sales Tax Act, 1956	Sales Tax	Trade Tax Tribunal	2009-2011	3
The Central Sales Tax Act, 1956	Sales Tax	VAT Officer	2015-2017	257
The Rajasthan Sales Tax Act, 1994	Sales Tax	Commissioner of Commercial Taxes,(Appeal)	2001-2002	1
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	High Court of Judicature at Allahabad	2003-2005, 2007-2008	3
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2003-2004, 2005-2008	2
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	Trade Tax Tribunal	2005-2008	25

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Appellate Deputy Commissioner	2014-2015	.*
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Appellate Tribunal	2005-2010	5
Delhi Value Added Tax Act, 2004	Value Added Tax	Appellate Tribunal	2006-2008, 2010-2011	350
Delhi Value Added Tax Act, 2004	Value Added Tax	Commissioner of Commercial Taxes,(Appeal)	2005-2006, 2008-2010	18
Gujarat Value Added Tax Act, 2003	Value Added Tax	Appellate Tribunal	2006-2007	9
Gujarat Value Added Tax Act, 2003	Value Added Tax	Commercial Officer	2006-2007	1
Gujarat Value Added Tax Act, 2003	Value Added Tax	Commissioner Appeal	2013-2015	6
Jammu and Kashmir Value Added Tax Act, 2005	Value Added Tax	Assessing Officer	2016-2017	1
Karnataka Value Added Tax Act, 2003	Value Added Tax	Additional/Joint Commissioner of Commercial Taxes	2012-2013	3
Kerala Value Added Tax Act, 2003	Value Added Tax	Amnesty Scheme	2009-2010, 2011-2016	2
Kerala Value Added Tax Act, 2003	Value Added Tax	Appellate Tribunal	2006-2007	19
Kerala Value Added Tax Act, 2003	Value Added Tax	Assistant Commissioner (Appeal)	2014-2015, 2016-2017	1
Kerala Value Added Tax Act, 2003	Value Added Tax	Assistant Commissioner of Commercial Taxes	2008-2009, 2014-2015	272
Kerala Value Added Tax Act, 2003	Value Added Tax	Deputy Commissiner (Appeals)	2007-2008, 2015-2017	2
Kerala Value Added Tax Act, 2003	Value Added Tax	High Court of Kerala	2011-2013	449
Kerala Value Added Tax Act, 2003	Value Added Tax	Intelligence Officer Commercial Taxes	2012-2013	.*
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Additional Commissioner of Sales Tax (Appeal)	2010-2011	5
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Appellate Authority	2013-2014	2
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Appellate Board	2012-2013	1
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Appellate Tribunal	2004-2011	33
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	High Court of Madhya Pradesh	2003-2005	11
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2014-2015	.*
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Supreme Court of India	2011-2014	8
Maharastra Value Added Tax Act, 2002	Value Added Tax	Appellate Tribunal	2010-2011	11
Maharastra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2007-2009, 2013-2014, 2015-2016	32

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
Odisha value added tax Act, 2004	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2012-2014	1
Punjab Value Added Tax Act, 2005	Value Added Tax	Assessing Officer	2012-2013	-*
Punjab Value Added Tax Act, 2005	Value Added Tax	High Court of Punjab and Haryana	2006-2009	76
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Additional Commissioner of Commercial Taxes	2012-2013	-*
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Assistant Commissioner of Commercial Taxes (Appeal)	2007-2012	1
The Bihar Value Added Tax Act, 2005	Value Added Tax	Appellate Tribunal	2008-2018	109
The Bihar Value Added Tax Act, 2005	Value Added Tax	Commissioner of Commercial Taxes, (Appeal)	2014-2015	2
The Bihar Value Added Tax Act, 2005	Value Added Tax	Deputy Commissioner of Commercial Taxes	2005-2008	2
The Bihar Value Added Tax Act, 2005	Value Added Tax	Joint Commissioner of Commercial Tax (Appeal)	2008-2010	2
The Haryana Value Added Tax Act, 2003	Value Added Tax	Assessing Officer	2003-2006, 2016-2017	71
The Haryana Value Added Tax Act, 2003	Value Added Tax	Joint Excise and Taxation Commissioner (Appeal)	2006-2008, 2010-2011	24
The Jharkhand Value Added Tax Act, 2005	Value Added Tax	Assessing Officer	2011-2012	-*
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Assistant Commissioner of Commercial Taxes	2011-2012, 2014-2016, 2017-2019	-*
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Additional Commissioner of Sales Tax (Appeal)	2011-2012, 2013-2018	11
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Assessing Officer	2008-2010, 2011-2012, 2013-2014, 2017-2018	21
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Deputy Commissioner of Commercial Taxes	2008-2009, 2011-2012	6
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2008-2010, 2014-2015	1
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Trade Tax Tribunal	2008-2009, 2012-2013	164
West Bengal Value Added Tax, 2003	Value Added Tax	Amnesty Scheme	2006-2018	63
West Bengal Value Added Tax, 2003	Value Added Tax	Appellate Board	2010-2012	13
West Bengal Value Added Tax, 2003	Value Added Tax	Appellate Tribunal	2007-2008	5
Total of Sales Tax & Value Added Tax				2,989

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

Of the above cases, total amount deposited in respect of Income Tax is ₹ 71,119 Mn, Service Tax is ₹ 2,205 Mn, Sales Tax, Value Added Tax and Goods and Service Tax Act is ₹ 303 Mn, Custom Duty is ₹ 618 Mn.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions, banks, debenture holders or government.
- (ix) During the current year, the Company has not raised any money by way of initial public offer, debt instruments and term loans.
- (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 material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our 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 during the current year, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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) Based on our 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, transactions with the related parties are in compliance with section 177 and 188 of the 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.

- (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 and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon.
- (xv) Based on our 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, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (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

per **Nilangshu Katriar**

Partner

Membership Number: 58814

UDIN: 21058814AAAABA2190

Place: Mumbai

Date: June 30, 2021

Annexure 2 to the Independent Auditor's Report

of even date on the Standalone Financial Statements of Vodafone Idea 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 Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements.

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Nilangshu Katriar**

Partner

Membership Number: 58814

UDIN: 21058814AAAABA2190

Place: Mumbai

Date: June 30, 2021

BALANCE SHEET

as at March 31, 2021

Particulars	Notes	₹ Mn	
		As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment (including RoU Assets)	7	523,677	607,052
Capital work-in-progress	7	5,343	8,598
Intangible assets	8	1,098,542	1,193,533
Intangible assets under development	8	63	966
Financial assets			
Non-current investments	9	2,885	45,040
Other non-current financial assets	10	77,115	82,311
Deferred tax assets (net)	54	-	-
Other non-current assets	11	134,530	133,161
Total non-current assets (A)		1,842,155	2,070,661
Current Assets			
Financial assets			
Current investments	12	-	4,548
Trade receivables	13	24,408	29,191
Cash and cash equivalents	14	2,402	3,223
Bank balance other than cash and cash equivalents	15	17,736	22,115
Loans to subsidiaries, joint venture and others	16	5,556	8,421
Other current financial assets	17	48,691	69,628
Other current assets	18	90,366	81,076
Total current assets (B)		189,159	218,202
Total Assets (A+B)		2,031,314	2,288,863

BALANCE SHEET

as at March 31, 2021

Particulars	Notes	₹ Mn	
		As at March 31, 2021	As at March 31, 2020
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	287,354	287,354
Other equity	20	(664,430)	(197,341)
Total equity (A)		(377,076)	90,013
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Long term borrowings			
Loans from banks and Others	21(A)	64,846	86,279
Deferred payment obligations	21(B)	1,509,309	876,525
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,266	6,656
Other non-current financial liabilities	22	172,699	273,904
Long term provisions	23	261	3,293
Other non-current liabilities	24	1,286	1,224
Total non-current liabilities (B)		1,749,667	1,247,881
Current Liabilities			
Financial liabilities			
Short term borrowings			
	25	730	1,542
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	46	1,015	102
Total outstanding dues of creditors other than micro enterprises and small enterprises		130,652	114,702
Other current financial liabilities	26	463,701	373,696
Other current liabilities	27	62,201	460,464
Short term provisions	28	424	463
Total current liabilities (C)		658,723	950,969
Total Equity and Liabilities (A+B+C)		2,031,314	2,288,863

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

For and on behalf of the Board of Directors of **Vodafone Idea Limited****Nilangshu Katriar**

Partner

Membership No.: 58814

Place: Mumbai

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Ravinder Takkar

Managing Director & Chief Executive Officer

(DIN : 01719511)

Place: Gurugram

Akshaya Moondra

Chief Financial Officer

Place: Mumbai

Pankaj Kapdeo

Company Secretary

Place: Mumbai

Date : June 30, 2021

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

₹ Mn

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Service revenue		416,589	446,827
Sale of trading goods		-	3
Other operating income	29	138	320
Revenue from operations		416,727	447,150
Other income	30	2,584	10,861
Total income		419,311	458,011
OPERATING EXPENDITURE			
Cost of trading goods		-	3
Employee benefit expenses	31	18,583	19,726
Network expenses and IT outsourcing cost	32	97,941	109,849
License fees and spectrum usage charges	33	41,291	48,476
Roaming and access charges	34	52,906	59,976
Subscriber acquisition and servicing expenditure	35	18,157	29,886
Advertisement, business promotion expenditure and content cost	36	7,868	11,707
Other expenses	37	15,696	21,353
		252,442	300,976
Profit/(Loss) Before Finance Costs, Depreciation, Amortisation, Exceptional Items and Tax		166,869	157,035
Finance costs	38	179,916	153,772
Depreciation	7	138,094	147,902
Amortisation	8	90,968	90,986
Profit/(Loss) before exceptional items and tax		(242,109)	(235,625)
Exceptional items (net)	39	(221,036)	(387,242)
Profit/(Loss) before tax		(463,145)	(622,867)
Tax expense:			
- Current tax	53	(208)	-
- Deferred tax	53 & 54	-	108,448
Profit/(Loss) after tax		(462,937)	(731,315)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items not to be reclassified to profit or loss in subsequent periods:			
Equity instrument through other comprehensive losses		(4,512)	(19,403)
Income tax effect on equity instrument through other comprehensive losses	53 & 54	-	1,229
Re-measurement gains/(losses) on defined benefit plans	50	360	(253)
Income tax effect on defined benefit plans	53 & 54	-	185
Other comprehensive income/(loss) for the year, net of tax		(4,152)	(18,242)
Total comprehensive income/(loss) for the year		(467,089)	(749,557)
Earnings/(Loss) per equity share of ₹ 10 each:	55		
Basic (₹)		(16.11)	(26.97)
Diluted (₹)		(16.11)	(26.97)

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

For and on behalf of the Board of Directors of **Vodafone Idea Limited**

Nilangshu Katriar

Partner

Membership No.: 58814

Place: Mumbai

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Ravinder Takkar

Managing Director & Chief Executive Officer

(DIN : 01719511)

Place: Gurugram

Akshaya Moondra

Chief Financial Officer

Place: Mumbai

Pankaj Kapdeo

Company Secretary

Place: Mumbai

Date : June 30, 2021

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 (₹ Mn)
As at April 1, 2019	8,735,558,329	87,356
Allotment of equity shares under Rights Issue (refer note 40(i))	19,999,830,911	199,998
As at March 31, 2020	28,735,389,240	287,354
Issue of share capital	-	-
As at March 31, 2021	28,735,389,240	287,354

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

B. OTHER EQUITY

₹ Mn

Particulars	Reserves and surplus										Total
	Capital reserve note 20(ii)	Capital reduction reserve note 20(fi)	Debt redemption reserve note 20(iii)	Securities premium note 20(iv)	Amalgamation adjustment account note 20(v)	General reserve note 20(vi)	Retained earnings (refer note 20(vii))	Employee stock options reserve note 20(viii)	Business Restructuring Reserve (refer note 20(ix))	Equity instrument through other comprehensive income (refer note 20(x))	
As at April 1, 2019	(97,326)	277,787	4,408	1,035,532	(488,444)	22,256	(242,818)	669	25,409	10,375	547,848
Transition impact of Ind AS 116 (refer note 44)	-	-	-	-	-	-	(44,649)	-	-	-	(44,649)
Restated balance as at April 1, 2019	(97,326)	277,787	4,408	1,035,532	(488,444)	22,256	(287,467)	669	25,409	10,375	503,199
Profit/(Loss) for the year ended March 31, 2020	-	-	-	-	-	-	(731,315)	-	-	-	(731,315)
Other comprehensive income/(loss) for the year ended March 31, 2020	-	-	-	-	-	-	(68)	-	-	(18,174)	(18,242)
Total comprehensive income/(loss)	-	-	-	-	-	-	(731,383)	-	-	-	(18,174)
Settlement assets (refer note 40(x))	(136)	-	-	-	-	-	-	-	-	-	(136)
Allotment of equity shares under Rights issue (net of share issue expenses of ₹ 834 Mn) (refer note 40(ii))	-	-	-	49,166	-	-	-	-	-	-	49,166
Share-based payment expenses ⁽¹⁾ (refer note 49)	-	-	-	-	-	-	-	(13)	-	-	(13)
As at March 31, 2020	(97,462)	277,787	4,408	1,084,698	(488,444)	22,256	(1,018,850)	656	25,409	(7,799)	(197,341)
Profit/(Loss) for the year ended March 31, 2021	-	-	-	-	-	-	(462,937)	-	-	-	(462,937)
Other comprehensive income/(loss) for the year ended March 31, 2021	-	-	-	-	-	-	360	-	-	(4,512)	(4,152)
Total comprehensive income/(loss)	-	-	-	-	-	-	(462,577)	-	-	-	(4,512)
Share-based payment expenses (refer note 49)	-	-	-	-	-	-	295	(295)	-	-	-
As at March 31, 2021	(97,462)	277,787	4,408	1,084,698	(488,444)	22,256	(1,481,132)	361	25,409	(12,311)	(664,430)

⁽¹⁾ The charge for the year is net of reversal on account of cancellation of unvested options.

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

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Akshaya Moondra

Chief Financial Officer

Place: Mumbai

Ravinder Takkar

Managing Director & Chief Executive Officer

(DIN : 01719511)

Place: Gurugram

Pankaj Kapdeo

Company Secretary

Place: Mumbai

For and on behalf of the Board of Directors of **Vodafone Idea Limited**

STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

Particulars	For the year ended March 31, 2021	₹ Mn For the year ended March 31, 2020
OPERATING ACTIVITIES		
Loss before tax	(463,145)	(622,867)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment (including RoU assets)	138,094	147,902
Amortisation of intangible assets	90,968	90,986
Share-based payment expense (ESOS)	35	(95)
Loss on sale of stake in Indus (Joint Venture) (refer note 39)	170	-
Impact due to cancellation of lease contract on network re-alignment (refer note 39)	(1,696)	(2,172)
Accelerated depreciation on account of network re-alignment/re-farming (refer note 39)	5,716	59,441
License fees and SUC on AGR (refer note 39)	194,405	274,886
One Time Spectrum Charges (refer note 39)	5,027	38,871
Impairment of Brand (refer note 39)	7,246	-
Provision for impairment towards its loan receivable/investment in subsidiaries/associate (refer note 39)	10	6,224
Finance costs (including fair value change in financial instruments)	179,916	153,772
Provision for gratuity and compensated absences	44	(286)
Bad debts/advances written off	3,810	5,274
Allowance for doubtful debts/advances	(659)	(2,187)
Liabilities/provisions no longer required written back	(17)	(109)
Other income	(2,584)	(10,861)
Working capital adjustments		
Decrease/(Increase) in trade receivables	2,318	(665)
Decrease in inventories	-	3
(Increase) in other financial and non-financial assets	(6,638)	(28,788)
Increase/(Decrease) in trade payables	7,292	(12,194)
(Decrease) in other financial and non-financial liabilities	(16,087)	(52,559)
Cash flows from operating activities	144,225	44,576
Income tax refund (including TDS) (net)	7,032	24,634
Net cash flows from operating activities	151,257	69,210
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(44,952)	(76,510)
Payment towards Spectrum and Licenses - Upfront payment	(5,747)	-
Payment towards deferred spectrum liability	-	(3,978)
Proceeds from sale of property, plant and equipment and intangible assets	1,742	1,700
Proceeds from sale of stake in Indus (net of expenses related to sale of ₹ 170 Mn) (refer note 40(v))	37,472	-
Additional investment in subsidiaries and associate	-	(650)
Net sale of current investments	4,952	65,423
Loans given to subsidiary	-	(155)
Repayment of loan given to subsidiary	2,856	1,684
Interest received	1,763	5,833
Fixed deposits with banks having maturity of 3 to 12 months	16,498	(16,500)
Dividend received from joint venture (Indus)	1,115	-
Net cash flows from/(used in) investing activities	15,699	(23,153)

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
		₹ Mn
FINANCING ACTIVITIES		
Proceeds from allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn) (refer note 40(i))	-	249,164
Payment of interest and finance charges ⁽¹⁾	(28,299)	(152,508)
Payment of lease liabilities (refer note 44)	(95,446)	(65,816)
Repayment of long term borrowings	(43,220)	(40,517)
Proceeds from short term borrowings	1,620	35,136
Repayment of short term borrowings	(2,393)	(74,225)
Net cash flows (used in) financing activities	(167,738)	(48,766)
Net decrease in cash and cash equivalents during the year	(782)	(2,709)
Cash and cash equivalents at the beginning of the year	3,184	5,893
Cash and cash equivalents at the end of the year	2,402	3,184

⁽¹⁾ Includes interest payment on deferred payment liabilities forming part of long term borrowings.

1. Cash and Cash Equivalents include the following Balance Sheet amounts

Particular	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash on hand	29	34
Cheques on hand	174	26
Balances with banks		
In current accounts	2,199	2,494
In deposit accounts	-	669
	2,402	3,223
Less: Bank overdraft which forms an integral part of cash management (refer note 25)	-	(39)
	2,402	3,184

STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

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

₹ Mn

Particulars	Loans from banks and others including current maturities	Deferred payment obligations including current maturities	Changes in derivative liabilities (net)	Interest accrued but not due	Lease liabilities
Balance as at April 1, 2019	349,935	908,594	565	64,150	-
Transition impact of Ind AS 116	-	-	-	-	284,029
Restated balance as at April 1, 2019	349,935	908,594	565	64,150	284,029
(i) Cash flow Items					
Net proceed/(repayment) of borrowings	(78,353)	(1,253)	-	-	-
Payment of Interest and finance charges	-	(104,555)	(55)	(47,898)	-
Payment towards deferred spectrum liability	-	(3,978)	-	-	-
Payment of lease liabilities (refer note 44)	-	-	-	-	(65,816)
(ii) Non - cash items					
Foreign exchange (gain)/loss	2,341	-	-	(2,341)	-
Finance cost accrued (charged to profit and loss)	-	-	(1,332)	128,979	26,125
Upfront fees amortisation	206	-	-	(206)	-
Interest on Asset retirement obligation	-	-	-	(27)	-
Interest related to vendors and other liabilities	-	-	-	(3,373)	-
Accrued interest on deferred payment liability for spectrum and others transferred to borrowing on anniversary date	-	78,199	-	(78,199)	-
Addition of lease liabilities (refer note 44)	-	-	-	-	33,161
Deletion of lease liabilities (refer note 44)	-	-	-	-	(8,969)
Balance as at March 31, 2020	274,129	877,007	(822)	61,085	268,530
(i) Cash flow Items					
Net proceed/(repayment) of borrowings	(43,497)	(496)	-	-	-
Payment of Interest and finance charges	-	-	(7)	(28,292)	-
Payment of lease liabilities (refer note 44)	-	-	-	-	(95,446)
(ii) Non - cash items					
Foreign exchange (gain)/loss	(687)	-	-	687	-
Finance cost accrued (charged to profit and loss)	-	-	1,269	157,864	20,783
Upfront fees amortisation	69	-	-	(69)	-
Interest on Asset retirement obligation	-	-	-	(9)	-
Interest related to vendors and other liabilities	-	-	-	(39,604)	-
Accrued interest on deferred payment liability for spectrum and others transferred to borrowing on anniversary date	-	86,274	-	(86,274)	-
Accrued interest on loans from banks and others transferred to borrowing	1,431	-	-	(1,431)	-
Reclassification of Deferred Payment obligation pursuant to AGR judgment (refer note 3)	-	609,603	-	-	-
Addition of lease liabilities (refer note 44)	-	-	-	-	32,205
Deletion of lease liabilities (refer note 44)	-	-	-	-	(12,201)
Balance as at March 31, 2021	231,445	1,572,388	440	63,957	213,871

3. 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

For and on behalf of the Board of Directors of **Vodafone Idea Limited**

Nilangshu Katriar

Partner

Membership No.: 58814

Place: Mumbai

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Ravinder Takkar

Managing Director & Chief Executive Officer

(DIN : 01719511)

Place: Gurugram

Akshaya Moondra

Chief Financial Officer

Place: Mumbai

Pankaj Kapdeo

Company Secretary

Place: Mumbai

Date : June 30, 2021

NOTES

forming part of the Financial Statements

1. CORPORATE INFORMATION

Vodafone Idea Limited (formerly Idea Cellular Limited) ('the Company'), a public limited company, was incorporated under the provisions of the Companies Act applicable in India on March 14, 1995. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (Scrip Code; NSE: IDEA, BSE: 532822). The registered office of the Company is situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar – 382011, Gujarat. The Company is one of the leading telecom service providers in India. The Company is engaged in the business of Mobility and Long Distance services.

These financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 30, 2021.

2(A) STATEMENT OF COMPLIANCE

These 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.

2(B) BASIS OF PREPARATION

These 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.

All financial information presented in INR has been rounded off to million 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.

- The Hon'ble Supreme Court on October 24, 2019 along with supplementary order dated July 20, 2019 and final order dated September 1, 2020 delivered its judgment (together referred to as "AGR Judgment") on the cross appeals against the Hon'ble TDSAT judgment dated

April 23, 2015, relating to the definition of Adjusted Gross Revenue. The order upheld the principal demand, levy of interest, penalty and interest on penalty.

Pursuant to the AGR judgment, the Company had recognized a total estimated liability (AGR dues) of ₹ 459,607 Mn as at March 31, 2020. This was based on the Department of Telecommunications (DoT) demands (mainly up to the period FY 2016-17 and some beyond) after adjustment for certain computational errors and payments made in the past not considered in DoT demands and estimates made by the Company for the periods thereafter for which demands had not been received together with interest, penalty and interest on penalty up to March 31, 2020.

On July 20, 2020, the Hon'ble Supreme Court, after hearing all parties, observed that the amount to be recovered (preliminary assessed) given by DoT in its modification application are taken to be as final amount and there can be no dispute raised about it. Consequent to the above, without prejudice and on prudence, the Company had recognized an additional charge of ₹ 194,405 Mn (including interest on the amount of liability recognised considering the rate as per the affidavit filed by DoT on March 16, 2020, with effect from the date of AGR Judgement) as exceptional items. The Company has also paid a further ₹ 10,000 Mn during the year and accordingly, the total payment as at March 31, 2021 towards the dues following this AGR Judgment stands at ₹ 78,544 Mn.

Subsequent to the same, on September 1, 2020, vide its judgment, the Hon'ble Supreme Court has inter-alia directed that for the demand raised by the DoT in respect of the AGR dues based on the judgment of this Court, there shall not be any dispute raised by any of the Telecom Operators and that there shall not be any reassessment; the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021 and thereafter, Telecom Operators to make payment in yearly instalments commencing from April 1, 2021 to March 31, 2031 payable by 31st March of every succeeding financial year. As the cumulative amount paid by the Company of ₹ 78,544 Mn exceeded 10% of the total liability, which the Company believes is as demanded by DoT for the period up to the date of judgment, the next instalment would be payable only by March 31, 2022.

The Company has informed the DoT that it has paid more than 10% of the total dues and has complied with Hon'ble Supreme Court order. The company has

NOTES

forming part of the Financial Statements

also filed an affidavit with Hon'ble Supreme Court including the compliance letter that was filed with DoT confirming payment of 10% of the total dues along with an undertaking to pay the arrears as per the Court judgement.

Further, on January 7, 2021, the Company has filed a modification application with the Hon'ble Supreme Court requesting them to allow DoT to correct manifest/ clerical/arithmetical errors in the computation of AGR demands and carry out the corrections in accordance with law within a reasonable period of time. The matter is yet to be heard. Meanwhile DoT issued additional demands towards license fees and Spectrum usage charges for which the company has written to them requesting corrections of certain error in Spectrum rates, computational errors, admissible pass-through not considered based on the principles laid down in the AGR judgement. Pending response on the same, the Company has disclosed the excess of such demands over the provision considered as Contingent Liabilities. During the year, the Company has recognised interest expense amounting to ₹ 33,705 Mn in addition to ₹ 194,405 Mn as mentioned above. The Company has split the total liability as at March 31, 2021 amounting to ₹ 609,603 Mn (net of payment of ₹ 78,544 Mn) into other current financial liabilities of ₹ 42,081 Mn and deferred payment obligation under long term borrowings of ₹ 567,522 Mn in line with the principles of the AGR judgement.

4. The Company has incurred losses of ₹ 462,937 Mn for the year ended March 31, 2021 and the net worth is negative ₹ 377,076 Mn. As at March 31, 2021, the total debt (including interest accrued but not due and AGR liability) of the Company stands at ₹ 1,867,790 Mn. The Company has classified ₹ 85,472 Mn (net of waiver received) from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at March 31, 2021. Further, as a result of the rating downgrade, certain lenders had asked for increase of interest rates and additional margin money/security against existing facilities. The Company has exchanged correspondences and continues to be in discussion with the lenders for the next steps/waivers. The existing debt (excluding deferred spectrum obligation of ₹ 20,941 Mn for which additional Bank Guarantees of ₹ 9,757 Mn is to be given to avail additional 1 year moratorium) of ₹ 81,184 Mn and the next instalment of the AGR Judgement matter (as mentioned in Note 3 above) are

payable by March 31, 2022. Guarantees amounting to ₹ 70,399 Mn are due to expire during the next twelve months. The Company has also written to DoT for deferment of the spectrum payment instalment of ₹ 82,117 Mn payable as at April 9, 2022.

The Board of Directors of the Company, at its meeting held on September 4, 2020 had approved the fund-raising plan of up to ₹ 250,000 Mn.

There exists material uncertainty relating to the Company's ability to continue as a going concern which is dependent on its ability to raise additional funds as required, successful negotiations with lenders on continued support, refinancing of debts, monetisation of certain assets, outcome of the modification application filed with the Hon'ble Supreme Court and clarity of the next instalment amount, acceptance of its deferment request by DoT and generation of cash flow from operations that it needs to settle/renew its liabilities/guarantees as they fall due. As of date, the Company has met all its debt obligations. Pending the outcome of the above matters, these financial statements have been prepared on a going concern basis.

5. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue from contracts with customers

Revenue is recognised when a customer receives services and thus has the ability to direct the use and obtain benefits from those 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 the entity's services from the customer). The Company accounts for consideration payable to a customer as a reduction from the transaction price unless the payment to the customer is in exchange for a distinct service that the customer transfers to the entity.

NOTES

forming part of the Financial Statements

i) Revenue from supply of services

Revenue on account of telephony services (post-paid and prepaid categories, roaming, interconnect and long distance services) is recognised on rendering of services. Fixed Revenues in the post-paid category are recognised over the period of rendering of services. Processing fees on recharge vouchers in case of prepaid category is recognised over the validity of such vouchers.

Revenue from other services (internet services, mobile advertisement, revenue from toll free services, etc.) is recognised on rendering of services. Revenue from passive infrastructure is recognised on rendering of services.

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.

Multiple element contracts:

Bundle packages that include multiple elements, at the inception of the arrangement, the Company determines whether it is necessary to separate the separately identifiable elements and apply the corresponding revenue recognition policy to each element. Total package revenue is allocated among the identified elements based on their relative standalone price.

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

5(q) 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.

v) 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.

vi) Dividends

Dividend income is recognised when the Company's right to receive the payment is established.

vii) Cost to obtain a contract

The Company pays sales commission to its channel partners for each contract that they obtain. Such costs are deferred over the average expected customer life-cycle provided the estimated average customer life-cycle is higher than twelve months. The Company re-estimates the average customer life cycle on a periodic basis.

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. The Company's lease asset classes primarily consist of leases for passive infrastructure for cell sites and immovable properties.

NOTES

forming part of the Financial Statements

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 5(l)).

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 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.

Company as a lessor

Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

The Company enters into agreements which entitle its customers the right to use of specified capacity of dark fibre/bandwidth capacity for a specific period of time. Under such arrangements, the rights to use the specified assets are given for a substantial part of the estimated useful life of such assets. The contracted price received upfront in advance is treated as deferred revenue and is recognised on a straight line basis over the agreement period.

NOTES

forming part of the Financial Statements

c) Employee benefits

i) Defined Contribution Plan

Contributions to Provident and other 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.

Contributions to Superannuation are funded with the Life Insurance Corporation of India 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 has a defined benefit gratuity plan which is a combination of funded plan and unfunded plan. In case of funded plan, the Company makes contribution to a separately administered fund with the Insurance Companies. The Company maintains a target level of funding to be maintained over a period of time based on estimation of the payments. Any deficit in plan assets managed by Insurance Companies as compared to the liability based on an independent actuarial valuation is recognised as a liability. 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 and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), 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 actuarial valuation done by projected accrued benefit method at the reporting date. The related re-measurements are recognised in the Statement of Profit and Loss in the period in which they arise.

iv) Share-based payments

Equity-settled share-based payments to employees for options granted by the Company to its employees are measured at the fair value of the equity instruments at the grant date.

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 determined at the grant date of the equity settled share-based payments is expensed over the period in which the performance or service conditions are fulfilled, based on the Company's estimate of stock options that will eventually vest, with a corresponding increase in equity. 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 equity-settled employee benefits reserve or liability as applicable.

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. In respect of cancellation/expiration of vested stock options, the amount already charged as share based payment expense is adjusted against Retained earnings in Other Equity.

NOTES

forming part of the Financial Statements

In respect of modification such as re-pricing of existing stock option, the difference in fair value of the option on the date of re-pricing is accounted for as share based payment expense over the remaining vesting period.

d) Annual Revenue Share License Fees and Spectrum Usage Charges

The variable license fees and annual spectrum usage charges, computed basis of adjusted gross revenue, are charged to the Statement of Profit and Loss in the period in which the related revenue arises as per the license agreement of the licensed service area at prescribed rate.

e) 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.

f) Exceptional items

Items of income or expense which are non-recurring or outside of the ordinary course of business and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company are disclosed as exceptional items in the Statement of Profit and Loss.

g) 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.

h) 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;

NOTES

forming part of the Financial Statements

- 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.

i) 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. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land is not depreciated. Depreciation on all other assets under PPE 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.

Asset Retirement Obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. ARO is measured based on present value of expected cost to settle the obligation.

Particulars	Estimated useful life (in years)
Buildings	25 to 30
Leasehold Improvements	Period of lease or 10 years whichever is lower
Network Equipments	7 to 9
Optical Fibre ⁽¹⁾	15
Other Plant and Equipment	2 to 5
Office Equipments	3 to 5
Computers and servers	3 to 5
Furniture and Fixtures	5 to 10
RoU Assets	
- Land & Building	Over the period of lease
- Cell sites	Over the period of lease
- Bandwidth (IRU)	Over the period of agreement
- Others	3 to 5
Motor Vehicles	2 to 5

⁽¹⁾ These assets are transferred to subsidiary pursuant to demerger of fibre assets from October 1, 2019 (refer 40 (iv)).

An item of property, plant and equipment and any significant part which meets the criteria for asset held for sale will be reclassified from property, plant and equipment to asset held for sale. 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.

NOTES

forming part of the Financial Statements

j) 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. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

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:

- Cost of spectrum is amortised on straight line method from the date when the related network is ready for intended use over the unexpired period of the spectrum.
- Cost of licenses is amortised on straight line method from the date of launch of circle/renewal of license over the unexpired period of the license.
- 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 between 3 to 5 years.
- Bandwidth capacities acquired under Indefeasible Right to Use (IRU) basis is accounted for as intangible assets and amortised over the period of the agreement till March 31, 2019. From April 1, 2019 these assets are reclassified to RoU assets on adoption of Ind AS 116
- Brand - Separately acquired brand is shown at historical cost. Subsequently brand is carried

at cost less accumulated amortisation and impairment loss, if any. The Company amortises brand using the straight line method over the estimated useful life of 10 years (March 31, 2020: 15 years).

Cost of Intangible assets under development represents cost of intangible assets not ready for intended use as on the reporting date. It includes the amount of spectrum allotted to the Company and related borrowing costs (that are directly attributable to the acquisition or construction of qualifying assets) if any, for which network is not yet ready.

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.

k) Non-Current Assets Held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and its sale is highly probable. The sale is considered highly probable only when the asset or disposal groups is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and the sale is expected to be completed within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

Non-current assets that ceases to be classified as held for sale are measured at lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

l) Impairment of Non-Financial Assets

Tangible assets (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

NOTES

forming part of the Financial Statements

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.

For assets excluding goodwill, 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.

m) Investment in Subsidiaries, Associate and Joint Arrangements

The Company recognises its investment in subsidiaries, joint ventures and associate at cost less any impairment losses, if any except investment in Indus which has accounted for at Fair value through other comprehensive income.

n) Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs

consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the finance costs.

o) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

p) 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. For the purpose of the Statement of Cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) 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.

NOTES

forming part of the Financial Statements

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:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through profit or loss (FVTPL)
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

I. 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.

II. Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets

included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

NOTES

forming part of the Financial Statements

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 (including lease 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.

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 13.

III. Financial assets measured at FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss and recognised in other (gains)/losses (net). Interest income from these financial assets is included in other income using the effective interest rate method.

ii. Financial liabilities

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

a) 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.

b) Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or 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.

NOTES

forming part of the Financial Statements

iii. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to manage its foreign currency risks and interest rate risks, respectively. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency and interest exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative instrument. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

iv. 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.

r) 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.

s) Dividend distribution to equity holders

Dividends paid/payable along with applicable taxes are recognised when it is approved by the shareholders. In case of interim dividend, it is recognised when it is approved by the Board of Directors and distribution is no longer at the discretion of the Company. A corresponding amount is accordingly recognised directly in equity.

NOTES

forming part of the Financial Statements

t) Earnings per share

The earnings considered in ascertaining the Company's Earnings per share (EPS) is the net profit/(loss) 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.

u) Onerous Contract

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

v) 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.

i. Asset Retirement Obligation (ARO)

ARO is provided for those lease arrangements where the Company has a binding obligation to restore the said location/premises at the end of the period in a condition similar to inception

of the arrangement. The restoration and decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

ii. 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.

w) Business Combinations

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

x) 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.

NOTES

forming part of the Financial Statements

6. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the financial statements requires management to make judgements, 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

i. Taxes

The respective companies 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 respective companies 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 respective companies 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 respective companies review 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 respective companies will be able to absorb such credit during the specified period. Further details about taxes refer note 53 and 54.

ii. Defined benefit plans (gratuity and compensated absences benefits)

The Company's obligation on account of gratuity and compensated absences 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 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 are based on expected future inflation rates.

Further details about gratuity obligations are given in note 50(A).

iii. 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 13.

NOTES

forming part of the Financial Statements

iv. Useful life of Property, Plant and Equipment

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 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 are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in note 7.

v. 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.

vi. 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.

vii. 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. Refer note 42 for further details about Contingent liabilities.

viii. 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 Ministry of Home Affairs vide order No.40-3/2020 dated March 24, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout have been somewhat adversely impacted, the services to our customers continued without any material disruption. As on the date of these financial statements, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).

NOTES

forming part of the Financial Statements

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (INCLUDING ROU ASSETS)

₹ Mn

Particulars	Freehold land	Leasehold Land	Buildings	Leasehold Improvement	Plant and machinery ⁽³⁾	Furniture and fixtures	Office equipments	Vehicles	RoU Assets (refer note 44)	Total
Cost										
As at April 1, 2019	185	180	1,408	1,239	880,680	1,754	2,340	1,620	-	889,406
Transition impact of Ind AS 116	-	-	-	-	-	-	-	-	221,097	221,097
Reclassification on adoption of Ind AS 116	-	(180)	-	-	(19,115)	-	-	-	45,025	25,730
Restated balance as at April 1, 2019	185	-	1,408	1,239	861,565	1,754	2,340	1,620	266,122	1,136,233
Additions	7	-	-	7	105,120	21	43	2	33,440	138,640
Disposals/Adjustments	-	-	(25)	(11)	(30,328)	(79)	(138)	(236)	(12,031)	(42,848)
Transfer to subsidiary pursuant to demerger of fiber assets (refer note 40(iv))	-	-	-	-	(69,033)	-	-	-	-	(69,033)
As at March 31, 2020	192	-	1,383	1,235	867,324	1,696	2,245	1,386	287,531	1,162,992
Additions	-	-	-	1	37,008	77	71	1	32,272	69,430
Disposals/Adjustments	-	-	(1)	(402)	(31,607)	(394)	(338)	(375)	(18,684)	(51,801)
As at March 31, 2021	192	-	1,382	834	872,725	1,379	1,978	1,012	301,119	1,180,621
Accumulated Depreciation										
As at April 1, 2019	-	8	290	934	390,857	1,260	1,709	931	-	395,989
Reclassification on adoption of Ind AS 116	-	(8)	-	-	(14,540)	-	-	-	20,913	6,365
Restated balance as at April 1, 2019	-	-	290	934	376,317	1,260	1,709	931	20,913	402,354
Depreciation charge for the year	-	-	70	63	82,825	220	295	237	64,192	147,902
Disposals/Adjustments ⁽²⁾	-	-	(12)	(3)	26,305	(49)	(56)	(154)	(663)	25,368
Transfer to subsidiary pursuant to demerger of fiber assets	-	-	-	-	(19,684)	-	-	-	-	(19,684)
As at March 31, 2020	-	-	348	994	465,763	1,431	1,948	1,014	84,442	555,940
Depreciation charge for the year	-	-	70	47	75,697	170	196	160	61,754	138,094
Disposals/Adjustments ⁽²⁾	-	-	-*	(332)	(23,797)	(368)	(318)	(308)	(11,967)	(37,090)
As at March 31, 2021	-	-	418	709	517,663	1,233	1,826	866	134,229	656,944
Net Book Value										
As at March 31, 2021	192	-	964	125	355,062	146	152	146	166,890	523,677
As at March 31, 2020	192	-	1,035	241	401,561	265	297	372	203,089	607,052

Footnotes:

1. Refer note 21(C) for assets pledged as securities towards borrowings and non-fund based facilities.
2. Disposals/Adjustments include accelerated depreciation charge of ₹ 5,716 Mn (March 31, 2020 : ₹ 59,441 Mn) on account of network re-alignment and integration cost and disclosed under exceptional items (refer note 39).
3. Plant & Machinery and CWIP includes certain assets acquired on extended credit terms for which the title will be transferred to the company upon final payment to the equipment suppliers as per the contract terms. Gross Block, Net Block and CWIP of such assets as on March 31, 2021 is ₹ 49,982 Mn, ₹ 39,805 Mn and ₹ 314 Mn respectively (March 31, 2020 is ₹ 44,597 Mn, ₹ 41,650 Mn and ₹ 2,603 Mn respectively).
4. Capital work-in-progress as on March 31, 2021 is ₹ 5,343 Mn (March 31, 2020: ₹ 8,598 Mn).

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

NOTES

forming part of the Financial Statements

NOTE 8: INTANGIBLE ASSETS

Particulars	Entry/license fees and spectrum	Brand	Computer - Software	Bandwidth	Total
₹ Mn					
Cost					
As at April 1, 2019	1,462,293	25,945	17,123	24,950	1,530,311
Reclassification on adoption of Ind AS 116	-	-	-	(24,950)	(24,950)
Restated balance as at April 1, 2019	1,462,293	25,945	17,123	-	1,505,361
Additions ⁽⁶⁾	66,599	-	2,174	-	68,773
Disposals/Adjustments	(100)	-	(4)	-	(104)
As at March 31, 2020	1,528,792	25,945	19,293	-	1,574,030
Additions	-	3	3,221	-	3,224
Disposals/Adjustments	-	-	(29)	-	(29)
As at March 31, 2021	1,528,792	25,948	22,485	-	1,577,225
Accumulated Amortisation					
As at April 1, 2019	237,155	1,206	12,382	6,365	257,108
Reclassification on adoption of Ind AS 116	-	-	-	(6,365)	(6,365)
Restated balance as at April 1, 2019	237,155	1,206	12,382	-	250,743
Amortisation charge for the year	86,029	1,730	3,227	-	90,986
Disposals/Adjustments ⁽⁶⁾	38,771	-	(3)	-	38,768
As at March 31, 2020	361,955	2,936	15,606	-	380,497
Amortisation charge for the year	86,259	1,841	2,868	-	90,968
Disposals/Adjustments	-	-	(28)	-	(28)
Impairment (refer note 40(x))	-	7,246	-	-	7,246
As at March 31, 2021	448,214	12,023	18,446	-	478,683
Net Book Value					
As at March 31, 2021	1,080,578	13,925	4,039	-	1,098,542
As at March 31, 2020	1,166,837	23,009	3,687	-	1,193,533

Footnotes:

- Computer-software includes gross block of assets capitalised under finance lease ₹ 5,489 Mn (March 31, 2020: ₹ 5,507 Mn) and corresponding accumulated amortisation being ₹ 5,433 Mn (March 31, 2020 : ₹ 5,105 Mn).
- Entry/license fee and spectrum gross block ₹ 46,583 Mn and Net block ₹ 18,517 Mn range from 0.4 years to 6.4 years and Entry/license fee and spectrum gross block ₹ 1,482,209 Mn and Net block ₹ 1,062,061 Mn range from 9 years to 17.3 years (March 31, 2020 : gross block ₹ 46,583 Mn and Net block ₹ 28,545 Mn range from 1.4 years to 7.4 years and Entry/license fee and spectrum gross block ₹ 1,482,209 Mn and Net block ₹ 1,138,292 Mn range from 10 years to 18.3 years).
- Refer note 21(C) for computer software pledged as securities towards funded and non-funded facilities.
- During the year, pursuant to the launch of V! brand, the company has reassessed the estimated useful life of Vodafone brand from 15 years to 10 years and taken an additional amortisation charge of ₹ 109 Mn (net of reduction on account of impairment amounting to ₹ 323 Mn) (refer note 40(x)).
- Intangible Assets under development as at March 31, 2021 is ₹ 63 Mn (March 31, 2020: ₹ 966 Mn). Amount added during the year ₹ 2,321 Mn (March 31, 2020: ₹ 42,296 Mn), and amount capitalized during the year of ₹ 3,224 Mn (March 31, 2020: ₹ 68,773 Mn).
- Includes ₹ 38,871 Mn on account of One Time Spectrum Charges (refer note 40(vii)).

NOTES

forming part of the Financial Statements

NOTE 9 : NON-CURRENT INVESTMENTS (UNQUOTED)

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
(A) Investments in Equity Instruments of Subsidiaries (at cost)		
Subsidiaries		
Vodafone Idea Manpower Services Limited ('VIMSL') (formerly known as Idea Cellular Services Limited) 50,000 fully paid equity shares of ₹ 10 each	1	1
Vodafone Idea Telecom Infrastructure Limited ('VITIL') (formerly known as Vodafone Towers Limited) 1,800,000 fully paid equity shares of ₹ 10 each	18	18
Vodafone Foundation ('VF') 200 fully paid equity shares of ₹ 10 each	-*	-*
Vodafone Idea Communication Systems Limited ('VICSL') (formerly known as Mobile Commerce Solutions Limited) 405,263,153 fully paid equity shares of ₹ 10 each	5,872	5,872
Vodafone Idea Business Services Limited ('VIBSL') (formerly known as Vodafone Business Services Limited) 50,000 fully paid equity shares of ₹ 10 each	-*	-*
Vodafone m-pesa Limited ('VMPL') 237,099,380 fully paid equity shares of ₹ 10 each	5,231	5,231
Vodafone Idea Shared Services Limited ('VISL') (formerly known as Vodafone India Ventures Limited) 2,000,000 fully paid equity shares of ₹ 10 each	20	20
You Broadband India Limited ('YBIL') 75,004,960 fully paid equity shares of ₹ 10 each	3,402	3,402
Vodafone Idea Technology Solutions Limited ('VITSL') (formerly known as Vodafone Technology Solutions Limited) 500,000 fully paid equity shares of ₹ 10 each	5	5
Total investment in subsidiaries (A)	14,549	14,549
(B) Investments in Equity Instruments of Associate (at cost)		
Aditya Birla Idea Payments Bank Limited (ABIPBL) 2,787,930,750 fully paid equity shares of ₹ 10 each	2,788	2,788
Total investment in associate (B)	2,788	2,788
(C) Investments in Equity Instruments of Joint Ventures		
(i) Indus Towers Limited ('Indus') (FVTOCI) ⁽¹⁾ Nil (March 31, 2020 : 132,868) fully paid equity shares of ₹ 1 each	-	42,155
(ii) Firefly Networks Limited ('FNL') (FVTOCI) 1,000,000 fully paid equity shares of ₹ 10 each	10	10
Total investment in joint ventures (C)	10	42,165
Total (A+B+C)	17,347	59,502
Less:		
Provision for impairment of Investment (D) ^{(2) & (3) & (4)}	14,462	14,462
Total (A+B+C-D)	2,885	45,040

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

⁽¹⁾The Company has sold its stake in Indus on November 19, 2020 (refer note 40(v)).

⁽²⁾During the previous year, the Company has taken a provision for impairment amounting to ₹ 2,788 Mn towards its investment in ABIPBL (refer note 40(ii)).

⁽³⁾During the previous year, the investment in VMPL and related provision amounting to ₹ 5,231 Mn for impairment (created in earlier year) have been reclassified from 'Assets Held for Sale' basis the developments (refer note 40(iii)).

⁽⁴⁾In the earlier year, the Company assessed the expected cash flows and the future plans of all its subsidiary Companies upon merger of VMSL and VinL with the Company and accordingly, recorded a provision for impairment of ₹ 4,300 Mn and ₹ 2,143 Mn for investment in VICSL and YBIL respectively.

NOTES

forming part of the Financial Statements

NOTE 10 : OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Deposits with body corporate and others (includes amount referred in note 56)		
- Considered Good	8,182	8,942
- Considered Doubtful	232	232
Deposits and balances with government authorities ⁽¹⁾	45	6,587
Derivative assets at fair value through profit or loss (forward contracts and cross currency swaps)	-	131
Margin money deposits ⁽²⁾	4,601	2,624
Settlement assets (refer note 40(ix))	63,939	62,801
Other receivable from related party (refer note 56)	347	1,224
Long term loans to employees	1	2
	77,347	82,543
Allowance for doubtful advances (refer note 47)	(232)	(232)
Total	77,115	82,311

⁽¹⁾ Includes balance with DoT amounting to ₹ Nil (March 31, 2020: ₹ 6,545 Mn).

⁽²⁾ Includes ₹ 4,600 Mn given to avail bank guarantees and letter of credits apart from security provided as referred in note 21 (C)(ii).

NOTE 11 : OTHER NON-CURRENT ASSETS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Capital advances		
- Considered Good (includes amount referred in note 40(viii))	5,775	38
- Considered Doubtful	32	2
Prepaid expenses	379	797
Advance income tax (net)	61,191	69,396
GST recoverable	1,286	4,509
Costs to obtain a contract with the customer (refer note 43)	5,166	-
Others (consisting mainly deposit against demands which are appealed against/subjudice)		
- Considered Good	60,733	58,421
- Considered Doubtful	1,393	1,432
	135,955	134,595
Allowance for doubtful advances (refer note 47)	(1,425)	(1,434)
Total	134,530	133,161

NOTE 12 : CURRENT INVESTMENTS

Particulars	₹ Mn			
	As at March 31, 2021		As at March 31, 2020	
	Qty in '000 Units	₹ Value	Qty in '000 Units	₹ Value
Investment in units of liquid funds (quoted)				
Aditya Birla Sun Life Liquid Fund - Dir - Growth (formerly known as Birla Sun Life Cash Plus - Direct - Growth)	-	-	14,233	4,548
Total	-	-	14,233	4,548

NOTES

forming part of the Financial Statements

NOTE 13 : TRADE RECEIVABLES (UNSECURED, UNLESS OTHERWISE STATED) (INCLUDING AMOUNT REFERRED IN NOTE 56)

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Billed Receivables		
Unsecured - Considered Good	19,795	23,826
Unsecured - Considered Doubtful	10,920	12,265
	30,715	36,091
Allowance for doubtful debts (refer note 47)	(10,920)	(12,265)
	19,795	23,826
Unbilled Receivables	4,613	5,365
Total	24,408	29,191

Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 304 Mn (March 31, 2020 : ₹ 501 Mn)

NOTE 14 : CASH AND CASH EQUIVALENTS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Cash on hand	29	34
Cheques on hand	174	26
Balances with banks		
- In current accounts	2,199	2,494
- In deposit accounts (having maturity less than 3 months)	-	669
Total	2,402	3,223

NOTE 15 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Margin money ^{(1) & (2)}	17,731	5,611
Fixed deposits with banks having maturity of 3 to 12 months	2	16,500
Earmarked bank balance towards dividend	3	4
Total	17,736	22,115

⁽¹⁾Includes fixed deposit of ₹ 14,887 Mn (March 31, 2020 : ₹ 1,904 Mn) having maturity of 3 to 12 months held with banks as margin money deposit against bank guarantees and letter of credits issued by banks for a period ranging from 1 to 7 years (March 31, 2020 : 1 to 3 years).

⁽²⁾Includes ₹ 16,594 Mn given to avail bank guarantees and letter of credits apart from security provided as referred in note 21 (C)(ii).

NOTES

forming part of the Financial Statements

NOTE 16 : LOANS TO SUBSIDIARIES, JOINT VENTURE AND OTHERS (UNSECURED, UNLESS OTHERWISE STATED)

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Loans to related parties (refer note 56)		
- Loans to Subsidiaries and Joint Venture ⁽¹⁾	9,085	11,941
Current portion of loans to employees	2	1
	9,087	11,942
Provision for impairment of loan ⁽²⁾	(3,531)	(3,521)
Total	5,556	8,421

⁽¹⁾Loans have been provided for general corporate purpose. The interest rate for subsidiaries is Nil (March 31, 2020 : Nil effective January 1, 2020, prior to which interest @ 7.5 % was charged). The interest rate for Joint Venture is ranging from 8.75% p.a. to 9.80% p.a. (March 31, 2020: 8.75% p.a. to 9.80% p.a.). Maximum loan outstanding during the year is ₹ 11,941 Mn (March 31, 2020: ₹ 13,625 Mn).

⁽²⁾Includes ₹ 2,630 Mn for loan to VIBSL (March 31, 2020: ₹ 2,630 Mn), ₹ 806 Mn for loan to VMPL (March 31, 2020: ₹ 806 Mn), ₹ 90 Mn for loan to VITSL (March 31, 2020: ₹ 80 Mn), ₹ 5 Mn for loan to VF (March 31, 2020: ₹ 5 Mn).

NOTE 17 : OTHER CURRENT FINANCIAL ASSETS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Interest Receivable		
- Considered Good	341	1,153
- Considered Doubtful	2	7
Deposits and balances with government authorities ⁽¹⁾	1,518	-
Derivative assets at fair value through profit or loss (forward contracts and cross currency swaps)	-	691
Settlement assets (refer note 40(ix))	-	20,886
Business consideration receivable (refer notes 40(iv) & 56)	46,579	46,579
Other receivables (including amount referred to in note 56)	253	319
	48,693	69,635
Allowance for doubtful advances (refer note 47)	(2)	(7)
Total	48,691	69,628

⁽¹⁾Includes balance with DoT amounting to ₹ 1,513 Mn (March 31, 2020: ₹ Nil)

NOTE 18 : OTHER CURRENT ASSETS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
GST recoverable		
- Considered Good	83,922	77,707
- Considered Doubtful	481	-
Prepaid expenses	3,181	2,738
Costs to obtain a contract with the customer (refer note 43)	2,862	-
Others		
- Considered Good	401	631
- Considered Doubtful	584	365
	91,431	81,441
Allowance for doubtful advances (refer note 47)	(1,065)	(365)
Total	90,366	81,076

NOTES

forming part of the Financial Statements

NOTE 19 : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount (₹ Mn)	Numbers	Amount (₹ Mn)
EQUITY SHARE CAPITAL				
Authorised share capital				
Equity Shares of ₹ 10 each	48,500,000,000	485,000	48,500,000,000	485,000
Redeemable cumulative non-convertible Preference shares of ₹ 10 Mn each	1,500	15,000	1,500	15,000
	48,500,001,500	500,000	48,500,001,500	500,000
Issued, subscribed and paid-up share capital				
Equity Shares of ₹ 10 each fully paid up	28,735,389,240	287,354	28,735,389,240	287,354
	28,735,389,240	287,354	28,735,389,240	287,354

(a) Reconciliation of number of shares outstanding

₹ Mn

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount (₹ Mn)	Numbers	Amount (₹ Mn)
Equity shares outstanding at the beginning of the year	28,735,389,240	287,354	8,735,558,329	87,356
Issue of right shares (refer note 40(i))	-	-	19,999,830,911	199,998
Equity shares outstanding at the end of the year	28,735,389,240	287,354	28,735,389,240	287,354

(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. The Company declares and pays dividends in Indian rupees. 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				
Grasim Industries Limited	3,317,566,167	11.55%	3,317,566,167	11.55%
Euro Pacific Securities Limited	3,198,986,106	11.13%	3,198,986,106	11.13%
Prime Metals Limited	2,185,526,081	7.61%	2,185,526,081	7.61%
Oriana Investments Pte Ltd	2,147,307,225	7.47%	2,147,307,225	7.47%
Mobilvest	1,675,994,466	5.83%	1,675,994,466	5.83%
Vodafone Telecommunications (India) Limited	1,624,511,788	5.65%	1,624,511,788	5.65%
Trans Crystal Limited	1,461,143,311	5.08%	1,461,143,311	5.08%

(d) Shares reserved for issue under options

Refer note 49 for details of shares reserved for issue under the employee stock option scheme.

NOTES

forming part of the Financial Statements

NOTE 20 : OTHER EQUITY

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
(i) Capital reserve⁽¹⁾		
Opening balance	(97,462)	(97,326)
Settlement assets/liability	-	(136)
Closing balance (A)	(97,462)	(97,462)
(ii) Capital reduction reserve⁽²⁾		
Opening balance	277,787	277,787
Change during the year	-	-
Closing balance (B)	277,787	277,787
(iii) Debenture redemption reserve⁽³⁾		
Opening balance	4,408	4,408
Change during the year	-	-
Closing balance (C)	4,408	4,408
(iv) Securities premium		
Opening balance	1,084,698	1,035,532
Allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn) (refer note 40(i))	-	49,166
Closing balance (D)	1,084,698	1,084,698
(v) Amalgamation adjustment deficit account⁽⁴⁾		
Opening balance	(488,444)	(488,444)
Change during the year	-	-
Closing balance (E)	(488,444)	(488,444)
(vi) General Reserve⁽⁵⁾		
Opening balance	22,256	22,256
Change during the year	-	-
Closing balance (F)	22,256	22,256
(vii) Retained Earnings		
Opening balance	(1,018,850)	(242,818)
Transition impact of Ind AS 116 (refer note 44)	-	(44,649)
Net Profit/(Loss) for the year	(462,937)	(731,315)
Share-based payment expenses (refer note 49)	295	-
Other Comprehensive Income/(Loss) recognised directly in retained earnings	360	(68)
Closing balance (G)	(1,481,132)	(1,018,850)
(viii) Employee stock options reserve		
Opening balance	656	669
Transfer to Securities premium account on exercise of options	-	-
Share-based payment expenses (refer note 49)	(295)	(13)
Closing balance (H)	361	656
(ix) Business restructuring reserve		
Opening balance	25,409	25,409
Change during the year	-	-
Closing balance (I)	25,409	25,409
(x) Reserve for equity Instrument through other comprehensive income		
Opening balance	(7,799)	10,375
Other Comprehensive Income recognised directly in retained earnings	(4,512)	(18,174)
Closing balance (J)	(12,311)	(7,799)
Total (A+B+C+D+E+F+G+H+I+J)	(664,430)	(197,341)

NOTES

forming part of the Financial Statements

⁽¹⁾Capital reserve comprises of capital receipt, received as compensation from an erstwhile Joint Venture partner for failure to subscribe in the equity shares of VInL in earlier years, settlement liability created on merger of erstwhile Vodafone with the Company and amounts pursuant to merger of ABTL with the Company.

⁽²⁾Capital reduction reserve was created by VInL on distribution of VInL's share in Indus to share holders of VInL in accordance with capital reduction scheme. This reserve is not available for distribution as dividend.

⁽³⁾The Company has incurred losses during the current/previous year. Accordingly, the Company is not required to create any further DRR as per the Act and hence no DRR has been created during the year ended March 31, 2021 and March 31, 2020.

⁽⁴⁾The Company has accounted for the merger of VInL and VMSL with the Company under 'pooling of interest' method. Consequently, investment of VInL in VMSL, share capital of VInL and VMSL has been cancelled. The difference between the face value of shares issued by the Company and the value of shares and investment so cancelled has been recognized in Amalgamation Adjustment Deficit Account of ₹ (488,408) Mn. Also pursuant to merger of ITL with the Company, share capital of ITL and investment of the Company have been cancelled. The difference between equity of ITL and investment of the Company of ₹ (36) Mn has been recognized in Amalgamation Adjustment Deficit Account (refer note 40 (vi)). From utilisation perspective, this is an unrestricted reserve.

⁽⁵⁾Includes ₹ 1,393 Mn is not available for distribution of dividend.

NOTE 21 (A) : LOANS FROM BANKS AND OTHERS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Secured Loans		
Term Loans		
- Rupee loan from banks	49,325	9,950
Total Secured loans (A)	49,325	9,950
Unsecured Loans		
Redeemable Non-Convertible Debentures (NCDs)	14,934	74,828
Term Loans		
- Foreign currency loan from banks	-	1
- Rupee loan from Others	587	1,500
Total Unsecured Loans (B)	15,521	76,329
Total (A+B)	64,846	86,279

(B) DEFERRED PAYMENT OBLIGATIONS (UNSECURED)

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Deferred Payment Liabilities towards Spectrum	941,773	876,474
Deferred Payment obligation pursuant to AGR judgement (refer note 3)	567,522	-
Deferred Payment Others	14	51
Total	1,509,309	876,525

(C) (i) Security clause

Type of Borrowing	Outstanding Secured Loan Amount ⁽¹⁾		Security Offered ⁽²⁾
	As at	As at	
	March 31, 2021	March 31, 2020	
Rupee Loan	9,950	9,950	First pari passu charge on movable fixed assets of the company excluding: a) Spectrum and Telecom licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive telecom infrastructure
Rupee Loan	77,056	77,500	First pari passu charge on all the movable assets (including current/non current assets), immovable assets and intangible assets of the Company excluding: a) Spectrum and Telecom Licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive Telecom Infrastructure

NOTES

forming part of the Financial Statements

₹ Mn

Type of Borrowing	Outstanding Secured Loan Amount ⁽¹⁾		Security Offered ⁽²⁾
	As at March 31, 2021	As at March 31, 2020	
Vehicle Loans	-	3	Hypothecation of Vehicles against which the loans have been taken
Sub-Total	87,006	87,453	
Unamortised upfront fees	-	(1)	
Total	87,006	87,452	

⁽¹⁾Amounts represent Loans from banks and others including current maturities of ₹ 37,681 Mn (March 31, 2020 ₹ 77,502 Mn).

⁽²⁾Security offered does not cover properties/assets acquired pursuant to amalgamation of VM SL and VInL with the Company, RoU assets and assets to which the title will be transferred to the company on final payment (refer note 7(3)).

(C) (ii) The Company has also provided charge against certain assets excluding ROU assets and assets to which the title will be transferred to the company on final payment (refer note 7(3)) for availing non-fund based facility towards bank guarantees/letter of credit including guarantee to DoT with respect to deferred payment liabilities towards spectrum, one time spectrum charges and various performance/roll out obligations. The details of the same are as below:

₹ Mn

Type of funding	Security Amount		Outstanding Facility Amount		Security Offered
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
	20,000	20,000	7,400	7,542	First Pari Passu charge on movable (including CWIP) and current assets of the Company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn and c) spectrum and telecom licenses
	24,250	24,250	24,250	20,367	Second pari passu charge on movable (including CWIP) and current assets of the Company ⁽¹⁾
	97,500	97,500	97,471	97,500	Second pari passu charge on movable (including CWIP) and current assets of the Company excluding ⁽¹⁾ a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn and c) spectrum and telecom licenses
	3,000	3,000	402	402	Second pari passu charge on movable (including CWIP) assets of the Company ⁽¹⁾
Bank Guarantee and Letter of Credit	63,000	68,750	56,330	51,384	First pari passu charge on movable fixed assets of the Company acquired pursuant to amalgamation of VM SL and VInL with the company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn c) spectrum and telecom licenses
	19,350	-	19,346	-	a) a first ranking exclusive charge by way of hypothecation over all the Fiber Assets owned by Vodafone Idea Telecom Infrastructure Limited (VITIL) (100% subsidiary of the Company), the Current Assets in relation to such Fiber Assets and IRU Agreements entered into between VITIL and counter parties; b) an irrevocable and unconditional guarantee by VITIL by way of a Deed of Corporate Guarantee; and c) a first ranking exclusive mortgage of an Immovable Property situated at Jaipur, by way of deposit of title deeds.

NOTES

forming part of the Financial Statements

₹ Mn

Type of funding	Security Amount		Outstanding Facility Amount		Security Offered
	As at	As at	As at	As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
	5,142	7,570	4,907	5,148	First pari passu charge on movable fixed assets of the Company acquired pursuant to amalgamation of VM SL and VInL with the company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn c) spectrum and telecom licenses Charge on fixed deposit of ₹ 363 Mn
Total	232,242	221,070	210,106	182,343	

Note: Apart from this, the Company also has unsecured bank guarantees and letter of credits of ₹ 38,006 Mn. (March 31, 2020: ₹ 39,544 Mn.)

⁽¹⁾Security offered does not cover properties/assets acquired pursuant to amalgamation of VM SL and VInL with the Company.

(D) Repayment terms of loans from banks and others as on March 31, 2021

₹ Mn

Type of Borrowing	Current maturities of loans from banks and others	Loans from bank and others excluding current maturities	Total	Repayment Terms for the Balance Amount
(i) Secured Loans				
a) Rupee Loan ⁽¹⁾	6,250	39,375	45,625	a) ₹ 625 Mn is repayable in June, 2021 b) Repayable in 12 equal quarterly installments of 3.75% each of the total drawn amount starting Sep, 2021 c) Repayable in 8 equal quarterly installments of 5% each of the total drawn amount starting Sep, 2024 d) Repayable in 2 equal quarterly installments of 2.5% each of the total drawn amount starting Sep, 2026
b) Rupee Loan	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan ⁽¹⁾	30,000	-	30,000	Repayable in 20 equal quarterly installments starting September, 2021
d) Rupee Loan ⁽¹⁾	1,431	-	1,431	Repayable in June, 2026
Sub-Total (A)	37,681	49,325	87,006	
(ii) Unsecured Loans				
a) Foreign currency Loan ⁽¹⁾	1,741	-	1,741	Repayable in 5 equal half yearly installments starting April, 2021
b) Foreign currency Loan ⁽¹⁾	580	-	580	Repayable in May, 2021
c) Foreign currency Loan ⁽¹⁾	7,394	-	7,394	Repayable in 2 equal annual installments starting June, 2021
d) Foreign currency Loan ⁽¹⁾	7,599	-	7,599	Repayable in 2 equal annual installments starting July, 2021
e) Foreign currency Loan	-	-	-	Repaid
f) Rupee Term Loan ⁽¹⁾	40,000	-	40,000	Repayable in 4 equal quarterly installments starting September, 2022
g) Rupee Term Loan ⁽¹⁾	10,000	-	10,000	Repayable in 4 equal quarterly installments starting October 2022
h) Rupee Term Loan	913	587	1,500	Repayable in Half yearly installments starting from June 2021 to December 2023.
i) 7.57% Redeemable Non Convertible Debentures	15,000	-	15,000	Repayable in December, 2021
j) 7.77% Redeemable Non Convertible Debentures	15,000	-	15,000	Repayable in January, 2022
k) 8.04% Redeemable Non Convertible Debentures	20,000	-	20,000	Repayable in January, 2022
l) 8.03% Redeemable Non Convertible Debentures	5,000	-	5,000	Repayable in January, 2022
m) 8.03% Redeemable Non Convertible Debentures	5,000	-	5,000	Repayable in February, 2022
n) 10.90% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
Sub-Total	128,227	15,587	143,814	
Unamortised upfront fees	(39)	(66)	(105)	
Sub-Total (B)	128,188	15,521	143,709	
Grand Total (A+B)	165,869	64,846	230,715	

NOTES

forming part of the Financial Statements

(D) Repayment terms of loans from banks and others as on March 31, 2020

₹ Mn

Type of Borrowing	Current maturities of loans from banks and others	Loans from bank and others excluding current maturities	Total	Repayment Terms for the Balance Amount
(i) Secured Loans				
a) Rupee Loan ^{(1) & (2)}	47,500	-	47,500	a) 4 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2020 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026
b) Rupee Loan ⁽²⁾	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan ^{(1) & (2)}	30,000	-	30,000	Repayable in 20 equal quarterly installments starting September, 2021
d) Vehicle Loans	3	-	3	Equal monthly installments over the term of the loan ranging from 2 to 5 years
Sub-Total	77,503	9,950	87,453	
Unamortised upfront fees	(1)	-	(1)	
Sub-Total (A)	77,502	9,950	87,452	
(ii) Unsecured Loans				
a) Foreign currency Loan ⁽¹⁾	358	-	358	Repayable in April, 2020
b) Foreign currency Loan ⁽¹⁾	2,500	-	2,500	7 equal half yearly installments starting April, 2020
c) Foreign currency Loan ⁽¹⁾	1,785	-	1,785	3 equal half yearly installments starting May, 2020
d) Foreign currency Loan ⁽¹⁾	11,374	-	11,374	3 equal annual installments starting June, 2020
e) Foreign currency Loan ⁽¹⁾	11,691	-	11,691	3 equal annual installments starting July, 2020
f) Foreign currency Loan	269	-	269	Repayable in September, 2020
g) Foreign currency Loan	55	-	55	Repayable in March, 2021
h) Rupee Loan ^{(1) & (2)}	40,000	-	40,000	4 equal quarterly installments starting September, 2022
i) Rupee Loan ^{(1) & (2)}	10,000	-	10,000	Repayable in 4 equal quarterly installments starting October, 2022
j) Rupee Term Loan	1,183	1,500	2,683	Repayable in Half yearly installments starting from April, 2020 to December, 2023
k) Rupee Term Loan	881	-	881	Repayable in 6 installments starting from April, 2020 to July, 2020
l) 7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
m) 7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
n) 8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022
o) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
p) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022
q) 10.90% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
r) 8.25% Redeemable Non Convertible Debentures	28,750	-	28,750	Repayable in July, 2020 (Out of the 35,000 NCDs issued in FY 2015-16, the Company has re-purchased 6,250 NCDs of ₹ 1 Mn each, aggregating to ₹ 6,250 Mn with an option to re-issue the same in future)
Sub-Total	108,846	76,500	185,346	
Unamortised upfront fees	(1)	(171)	(172)	
Sub-Total (B)	108,845	76,329	185,174	
Grand Total (A+B)	186,347	86,279	272,626	

NOTES

forming part of the Financial Statements

⁽¹⁾Some of the Company's loans are subjected to covenant clauses, whereby the Company is required to meet certain specified financial ratios. The Company has not met certain financial ratios for some of these arrangements, the gross outstanding amount for which as at March 31, 2021 was ₹ 144,370 Mn (March 31, 2020: ₹ 155,208 Mn). Subsequent to the Balance Sheet date, the Company has received waivers for loans amounting to ₹ 45,625 Mn (March 31, 2020: ₹ Nil). Accordingly, as at March 31, 2021 loans amounting to ₹ 85,472 Mn (March 31, 2020: ₹ 142,757 Mn) has been re-classified from non-current borrowings to current maturities of long term debt. The unamortised arrangement fees on such borrowings of ₹ Nil (March 31, 2020: ₹ 32 Mn) has been charged in statement of profit and loss. As on the reporting date, none of the banks have approached for early repayment.

⁽²⁾ The Company had availed option for moratorium of 6 months for repayment of Interest and principal in accordance with the notification issued by RBI.

(E) Repayment terms of Deferred payment obligations as on March 31, 2021

₹ Mn

Type of Borrowing	Current maturities of Deferred payment obligations	Deferred payment obligations excluding current maturities	Total	Repayment Terms for the Balance Amount
(i) Deferred Payment Liability (DPL) towards spectrum acquired in⁽¹⁾				
a) November - 2012 auctions	752	11,090	11,842	Repayable in 10 equal annual installments starting December, 2021
b) February - 2014 auctions	12,306	218,711	231,017	a) ₹ 228,058 Mn and Interest thereon will be repaid in 11 equal annual installments starting March, 2022 b) ₹ 2,959 Mn and interest thereon will be repaid in 11 equal annual installments starting September, 2022
c) March - 2015 auctions	-	510,281	510,281	a) ₹ 508,661 Mn and Interest thereon will be repaid in 12 equal annual installments starting April, 2022 b) ₹ 1,620 Mn and Interest thereon will be repaid in 11 equal annual installments starting September, 2022
d) October - 2016 auctions	7,883	201,691	209,574	Repayable in 14 equal annual installments starting October, 2021
Sub-Total (A)	20,941	941,773	962,714	
(ii) Deferred Payment obligation pursuant to AGR judgment (refer Note 3) (B)	42,081	567,522	609,603	Repayable in 10 equal annual installments (including interest thereon) starting March, 2022
(iii) Deferred Payment Others (C)	57	14	71	a) ₹ 50 Mn is repayable in June, 2021 b) ₹ 21 Mn is repayable in monthly installment starting April, 2021
Grand Total (A+B+C)	63,079	1,509,309	1,572,388	

Repayment terms of Deferred payment obligations as on March 31, 2020

₹ Mn

Type of Borrowing	Current maturities of Deferred payment obligations	Deferred payment obligations excluding current maturities	Total	Repayment Terms for the Balance Amount
(i) Deferred Payment Liability (DPL) towards spectrum acquired in⁽¹⁾				
a) November - 2012 auctions	-	10,790	10,790	9 equal annual installments starting December, 2022
b) February - 2014 auctions	-	210,038	210,038	a) ₹ 207,326 Mn and Interest thereon will be repaid in 10 equal annual installments starting March, 2023 b) ₹ 2,712 Mn and interest thereon will be repaid in 13 equal annual installments starting September, 2022
c) March - 2015 auctions	-	463,903	463,903	a) ₹ 462,419 Mn and Interest thereon will be repaid in 12 equal annual installments starting April, 2022 b) ₹ 1,484 Mn and Interest thereon will be repaid in 13 equal annual installments starting September, 2022
d) October - 2016 auctions	-	191,743	191,743	13 equal annual installments starting October, 2022
Sub-Total (A)	-	876,474	876,474	
(ii) Deferred Payment Others (B)	482	51	533	Repayable in quarterly/yearly instalment from June, 2020 to June, 2021
Grand Total (A+B)	482	876,525	877,007	

NOTES

forming part of the Financial Statements

⁽¹⁾Department of Telecommunication (DoT) has provided an option for deferment of payment of spectrum auction instalment due for the financial years 2020-21 and 2021-22 on submission of additional Bank Guarantees for the increased instalment amounts basis the moratorium availed. During the year, to avail such moratorium, the Company has provided Bank Guarantees amounting to ₹ 27,628 Mn which is equivalent to 2 year differential amount on certain spectrum and 1 year differential amount on certain spectrum. Accordingly, current maturities of long term borrowings includes ₹ 20,941 Mn of deferred payment obligation towards spectrum towards which additional Bank Guarantees of ₹ 9,757 Mn is to be provided to avail the additional 1 year moratorium.

(F) Interest rate for Rupee Term Loan ranges from 8.53% to 11.40% (March 31, 2020: from 4.0% to 12.75%). Foreign currency loan ranges from 1.21% to 1.37% (March 31, 2020: from 1.40% to 4.15%) and Deferred Payment obligation from 8% to 10% (March 31, 2020: from 9.30% to 10%).

NOTE 22 : OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Security deposits	45	46
Payable for capital expenditure (includes amount referred in note 7(3))	13,234	54,309
Interest accrued but not due on deferred payment liability	49,990	55,440
Derivative liabilities at fair value through profit or loss (forward contracts)	6	-
Lease liabilities (refer note 44)	109,424	164,109
Total	172,699	273,904

NOTE 23 : LONG TERM PROVISIONS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Gratuity (refer note 50)	75	2,646
Compensated absences	120	524
Asset retirement obligation (refer note 48)	66	123
Total	261	3,293

NOTE 24 : OTHER NON-CURRENT LIABILITIES

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Deferred revenue	1,286	1,224
Total	1,286	1,224

NOTE 25 : SHORT TERM BORROWINGS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Unsecured Loans		
Bank overdraft	-	39
Short term loan from banks	-	283
Short term loan from Subsidiary (refer note 56) ⁽¹⁾	730	1,220
Total	730	1,542

⁽¹⁾Unsecured short term loan from its subsidiary company is repayable on demand on which variable interest rate is 7% p.a. (March 31, 2020 : 7% p.a.).

NOTES

forming part of the Financial Statements

NOTE 26 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Current maturities of loans from banks and others (refer notes 21(C) and 21(D))	165,869	186,347
Current maturities of Deferred Payment obligations (refer note 21(E))	63,079	482
Payable for capital expenditure (includes amount referred in note 7(3) and 56)	68,770	34,272
Accrual towards One Time Spectrum Charges (OTSC) (refer note 40(vii))	43,898	38,871
Interest accrued but not due on borrowings	13,967	5,645
Unpaid dividend	3	4
Derivative liabilities at fair value through profit or loss (forward contracts)	434	-
Security deposits from customers and others	3,234	3,654
Lease liabilities (refer note 44)	104,447	104,421
Total	463,701	373,696

NOTE 27 : OTHER CURRENT LIABILITIES

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Deferred revenue and advance from customers ⁽¹⁾	24,334	26,192
Taxes, regulatory and statutory liabilities ⁽²⁾	37,867	434,272
Total	62,201	460,464

⁽¹⁾Revenue recognised during the year from deferred revenue and advance from customers (contract liability) at the beginning of the year is ₹ 26,192 Mn.

⁽²⁾Previous years includes amounts referred to in note 3.

NOTE 28 : SHORT TERM PROVISIONS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Gratuity (refer note 50)	206	304
Compensated absences	120	113
Asset retirement obligation (refer note 48)	98	46
Total	424	463

NOTE 29 : OTHER OPERATING INCOME

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Liabilities no longer required written back	17	109
Miscellaneous receipts	121	211
Total	138	320

NOTE 30 : OTHER INCOME

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income (including amounts referred in note 56)	1,065	7,978
Dividend Income (refer note 56)	1,115	-
Gain on Mutual Funds (including fair value gain/(loss))	404	2,883
Total	2,584	10,861

NOTES

forming part of the Financial Statements

NOTE 31: EMPLOYEE BENEFIT EXPENSES

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	16,426	17,116
Contribution to provident and other funds (refer note 50)	1,309	1,439
Share based payment expenses (ESOS) (refer note 49) ^{(1)&(2)}	35	(95)
Staff welfare	807	1,096
Recruitment and training	6	170
Total	18,583	19,726

⁽¹⁾Includes charge/(credit) on account of cash settled ESOP of ₹ 35 Mn (March 31, 2020: ₹ (82) Mn).

⁽²⁾The charge for the year is net of reversal on account of cancellation of unvested options of ₹ * Mn (March 31, 2020: ₹ 13 Mn).

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

NOTE 32 : NETWORK EXPENSES AND IT OUTSOURCING COST

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Security service charges	162	381
Power and fuel	55,356	60,814
Repairs and maintenance - plant and machinery (includes amount referred in note 56)	22,800	26,995
Lease line and connectivity charges	10,147	7,522
Network insurance	587	484
Other network operating expenses	1,515	2,582
IT outsourcing cost	7,374	11,071
Total	97,941	109,849

NOTE 33 : LICENSE FEES AND SPECTRUM USAGE CHARGES

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
License fees	28,582	33,114
Spectrum usage charges	12,709	15,362
Total	41,291	48,476

NOTE 34 : ROAMING AND ACCESS CHARGES

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Roaming charges	2,588	3,898
Access charges	50,318	56,078
Total	52,906	59,976

NOTES

forming part of the Financial Statements

NOTE 35 : SUBSCRIBER ACQUISITION AND SERVICING EXPENDITURE

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of sim and recharge vouchers	696	805
Commission to dealers and others (refer note 43)	11,825	21,444
Customer verification expenses (refer note 43)	348	808
Collection, telecalling and servicing expenses	4,561	6,085
Customer retention and customer loyalty expenses	727	744
Total	18,157	29,886

NOTE 36 : ADVERTISEMENT, BUSINESS PROMOTION EXPENDITURE AND CONTENT COST

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertisement & Business promotion expenditure	1,987	4,194
Content cost	5,881	7,513
Total	7,868	11,707

NOTE 37 : OTHER EXPENSES

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Repairs and maintenance		
Building	102	96
Others	2,846	2,954
Other insurance	15	11
Rates and taxes	236	181
Electricity	372	766
Printing and stationery	34	91
Communication expenses	68	192
Travelling and conveyance	300	1,108
Bad debts/advances written off	3,810	5,274
Allowances for doubtful debts and advances (refer note 47)	(659)	(2,187)
Directors Sitting Fees (refer note 56)	8	10
Legal and professional charges	570	1,734
Audit fees (refer note 51)	73	89
CSR expenditure (refer note 52)	3	26
Support service charges (refer note 56)	6,192	8,702
Miscellaneous expenses	1,726	2,306
Total	15,696	21,353

NOTES

forming part of the Financial Statements

NOTE 38 : FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest		
- On fixed period loan	23,232	26,204
- On deferred payment liability towards spectrum	91,730	87,521
- On lease liabilities (refer note 44)	20,783	26,125
- On deferred payment obligation pursuant to AGR judgement (refer note 3)	33,705	-
- Others	5,923	3,819
Other finance charges	5,269	3,376
Total interest expense	180,642	147,045
Exchange difference (net)	(1,995)	8,059
Loss/(gain) on derivatives (including fair value changes on derivatives)	1,269	(1,332)
Total	179,916	153,772

NOTE 39 : EXCEPTIONAL ITEMS (NET)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(Loss) on sale of stake in Indus (refer note 40(v))	(170)	-
Integration and merger related costs	(9,907)	(9,855)
Impact due to cancellation of lease contract on network re-alignment	1,696	2,172
Provision for additional depreciation/impairment of assets		
- Accelerated depreciation on network re-alignment/re-farming ⁽²⁾	(5,716)	(59,441)
- Impairment of Brand (refer note 40(x))	(7,246)	-
License fees and SUC on AGR (refer note 3)	(194,405)	(274,886)
One Time Spectrum Charges (refer note 40(vii))	(5,027)	(38,871)
Provision for impairment towards its loan receivable/investment in subsidiaries/associate ^{(3) & (4)}	(10)	(6,224)
Others	(251)	(137)
Total	(221,036)	(387,242)

⁽¹⁾Amounts given in above Exceptional items (net) represents Exceptional gain/(loss)

⁽²⁾During the previous year, the Company had taken an accelerated depreciation charge of ₹ 40,320 Mn towards certain 3G network equipment which were no longer usable on the basis of its revised business plan of re-farming 3G spectrum for 4G services.

⁽³⁾During the previous year, the Company, had taken a provision for impairment of loan given to VIBSL amounting to ₹ 2,630 Mn based on the future cash flow projections of VIBSL. Further, the Company has also taken a provision for impairment of loan given to VMPL amounting to ₹ 806 Mn (refer note 40(iii)).

⁽⁴⁾During the previous year, the Company had taken provision for impairment towards its investments in ABIPBL amounting to ₹ 2,788 Mn (refer note 40(ii)).

NOTES

forming part of the Financial Statements

NOTE 40 : SIGNIFICANT TRANSACTIONS/NEW DEVELOPMENTS

- i) On May 4, 2019, the Company had allotted 19,999,830,911 Equity Shares of face value of ₹ 10 each to the eligible equity shareholders under a Rights Issue at a price of ₹ 12.50 (including a premium of ₹ 2.50) per equity share aggregating to ₹ 249,998 Mn. Entire proceeds from the Rights Issue has been utilised in accordance with the issue object(s) stated in offer document (as amended).
- ii) Aditya Birla Idea Payment Bank Limited (ABIPBL), an associate of the Company had decided to wind up business voluntarily (voluntary winding up) on July 19, 2019 subject to requisite regulatory approvals and consent. Accordingly, during the previous year the Company had made a provision for impairment of the entire amount of investments in ABIPBL of ₹ 2,788 Mn and additional amount of ₹ 98 Mn contributed in proportion to shareholding towards liquidation expenses under exceptional items. ABIPBL is currently under liquidation.
- iii) Vodafone M-Pesa Limited (VMPL), a 100% subsidiary of the Company into the business of Prepaid Payment Instruments (PPI) and Business Correspondence (BC) decided to wind up both these business voluntarily on July 8, 2019 subject to requisite regulatory approvals and consent. It had thereby written to Reserve Bank of India (RBI) for surrendering its PPI Licence which has been accepted by the RBI, subject to certain conditions. Accordingly, the Company, on a prudence basis, during the previous year has recorded a provision for impairment amounting to ₹ 806 Mn towards loan given to VMPL.
- iv) The Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 between the Company and its wholly owned subsidiary Vodafone Idea Telecom Infrastructure Limited (VITIL) (formerly known as Vodafone Towers Limited) for transfer of Fibre Infrastructure undertaking to VITIL on an as is basis has been approved by the National Company Law Tribunal, Ahmedabad bench (NCLT) vide its order dated September 18, 2019. On filing of the said order with the Registrar of Companies (RoC) on October 15, 2019, the Scheme has become effective with an appointed date of October 1, 2019.

Pursuant to the above, during the previous year, the Company has de-recognized the fibre assets and liabilities from the appointed date and has recognized the net amount of ₹ 46,579 Mn as business consideration receivable from VITIL. Effective October 1, 2019 the Company is receiving fibre infrastructure services from the VITIL and accordingly expenses has been accounted in the books under "Network Expenses and IT Outsourcing Cost"

Following assets and liabilities were transferred to VITIL as on appointed date:

Particulars	₹ Mn
Assets	
Non-current assets	
Property, plant and equipment	49,349
Capital work-in-progress	877
Other non-current financial assets-Security Deposit	943
Other non-current assets-Capital Advance	5
Current assets	
Trade receivables (including unbilled receivables of ₹ 1,614 Mn)	1,703
Other current assets (including prepaid expenses of ₹ 120 Mn)	131
Total Assets (A)	53,008
Liabilities	
Non-current liabilities	
Other non-current liabilities-Deferred revenue	3,443
Current liabilities	
Trade payables	1,694
Other current financial liabilities - Payable for capital expenditure	855
Other current liabilities-Deferred revenue	437
Total Liabilities (B)	6,429
Business consideration receivable (A-B)	46,579

NOTES

forming part of the Financial Statements

- v) The scheme of amalgamation and arrangement between Bharti Infratel Limited and Indus became effective from November 19, 2020. Pursuant to aforesaid, Indus was dissolved without being wound up and got merged with Bharti Infratel Limited (the merged entity is thereafter named as Indus Towers Limited) on a going concern basis.

On November 19, 2020, the Company sold its 11.15% stake in Indus for a consideration of ₹ 37,472 Mn (net of expenses incurred on sale) to Bharti Infratel Limited. As the carrying value of the investment as on such date was ₹ 37,642 Mn, the Company recognised a loss on sale amounting to ₹ 170 Mn as exceptional items.

- vi) On August 13, 2019, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Vodafone India Digital Limited (VIDL) and Idea Telesystems Limited (ITL), wholly owned subsidiaries of the Company, with the Company with an appointed date of April 1, 2019. During the previous year, the Company had received the requisite regulatory approvals and the merger became effective on March 1, 2020 on filing the certified copies of the orders sanctioning the scheme with the RoC. This transaction had been accounted in the previous year as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of VIDL and ITL.

- vii) One Time Spectrum Charges (Beyond 4.4 MHz):

During the financial year 2012-13, DoT had issued demand notices towards one time spectrum charges (hereinafter referred to as "OTSC"). The demands on the Company i.e. formerly Idea Cellular Limited have been challenged by way of writ petition before the Bombay High Court (BHC). The erstwhile Vodafone India Limited (VInL) and erstwhile Vodafone Mobile Services Limited (VMSL) had challenged the demands before the TDSAT. The grounds taken before BHC and TDSAT were different though.

On July 4, 2019 TDSAT in its judgement quashed the demands levied on erstwhile VInL and VMSL and inter alia held that:

- For spectrum up to 6.2 MHz, OTSC is not chargeable and accordingly demand set aside.
- For spectrum beyond 6.2 MHz,
 - Allotment after July 1, 2008, OTSC shall be levied from the date of allotment of such spectrum.
 - Allotment before July 1, 2008, OTSC shall be levied from January 1, 2013 till the date of expiry of license.
 - Conditions as stated in para 1 (v) of the impugned order dated December 28, 2012 (given hereunder) is arbitrary and illegal and is accordingly set aside, i.e. Upfront charges in the case of spectrum holding in multiple bands (900 MHz and 1800 MHz), spectrum in 1800 MHz band will be accounted for first, towards the limit of 4.4 MHz was held to be arbitrary and illegal and accordingly set aside.

Thereafter VIL filed an appeal before the Hon'ble Supreme Court against the TDSAT judgement. On March 16, 2020, Hon'ble Supreme Court dismissed the petition filed by the Company challenging the levy of OTSC beyond 6.2 MHz. Following the dismissal of the Company's appeal by the Hon'ble Supreme Court on March 16, 2020, the Company is yet to receive any demand from DoT in line with the TDSAT order. VIL proceedings before the BHC in respect of Idea Cellular Limited remains pending. In July 2020, DoT had filed an appeal against the TDSAT judgement and sought stay on the impugned judgement. Subsequently as per court directive, the Company also filed its reply against DoT appeal, which is currently pending with Hon'ble Supreme Court.

The Company, on prudence basis, has recognized a charge for spectrum holding beyond 6.2 MHz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given for OTSC in line with the M&A guidelines at the time of merger. Accordingly, an amount of ₹ 5,027 Mn (March 31, 2020: ₹ 38,871 Mn) has been recognised as exceptional items.

- viii) The Department of Telecommunications (DoT) conducted auctions for frequency blocks in the 900 and 1800 MHz spectrum bands in March 2021. The Company successfully bid for its spectrum requirements at a total cost of ₹ 19,934 Mn as under:

- 5.8 MHz of 900 MHz spectrum in 2 service areas of Tamilnadu and West Bengal
- 6 MHz of 1800 MHz spectrum in 3 service areas of Karnataka, Uttar Pradesh (East) and Uttar Pradesh (West)

The validity of the above spectrum is for a 20 year period starting from the effective date as mentioned in the Frequency Assignment Letter for respective service areas. As on the Balance Sheet date, the Company had not received the frequency assignment letter from DoT. As per the payment options available, the Company has chosen the deferred payment option. The upfront payment amount of ₹ 5,747 Mn under the deferred payment option was paid on March 18, 2021, the due date for payment.

The amount of ₹ 5,747 Mn paid towards the upfront payment for the unassigned spectrum is included in Capital Advances and the deferred payment obligation of ₹ 14,187 Mn along with accrued interest of ₹ 37 Mn is disclosed under Capital Commitments.

- ix) The Implementation Agreement entered between the parties define a settlement mechanism between the Company and the promoters of erstwhile VInL for any cash inflow/outflow that could possibly arise to/by the company towards settlement of certain outstanding disputes pertaining to the period until May 31, 2018. As at March 31, 2020, the Company had recognized settlement assets amounting to ₹ 83,687 Mn being capped basis Implementation Agreement. The settlement of such assets recognized was

NOTES

forming part of the Financial Statements

to happen periodically based on cash inflow/outflow incurred as defined in the Agreement starting from June 2020 but not beyond June 2025. During current year, the Company has received ₹ 19,748 Mn as part of settlement due for June 2020. The balance of ₹ 63,939 Mn as at March 31, 2021 is subject to further cash inflows/outflows incurred till next settlement period falling in financial year 2022-23 and hence classified as non-current financial assets. In the event such disputed matters do not finally result in cash inflows/outflows to/by the company up to June 2025, there would be no settlement to/from the erstwhile VInL promoters by/to the Company. The settlement between the Company and VInL promoters for any cash outflow that could possibly arise shall be subject to requisite approvals, if any, which would be evaluated/obtained at the time of actual settlement if any, to VInL promoters.

- x) The company unveiled a new integrated brand identity V! on September 04, 2020. As a result, with the expected increased usage of Vi, the utility of its existing intangible asset of Vodafone brand is expected to decline over the contractual useful life of the asset as a result of gradual diminution in company's inclination on developing & maintaining the existing Vodafone Marks, though VIL continues to have the right to use it over its remaining life. Accordingly, the company has carried out an impairment assessment as well as re-estimated the useful economic life of its intangible asset of Vodafone brand as at the integrated brand launch date.

As per the assessment, the carrying value of the intangible asset stands at ₹ 15,039 Mn as at the integrated brand launch date. The value has been determined using Relief from Royalty method applying a royalty rate to the royalty base to estimate the royalty payments over the remaining life of the asset. Royalty base represents revenue attributable to Vodafone Marks over the remaining life of the asset.

As a result of this analysis, an impairment charge of ₹ 7,246 Mn has been recognized as exceptional item.

Key assumptions used in value-in-use calculations:

- Revenue CAGR considered for royalty base: Based on the estimated growth rate over the five-year budget period for the Company and thereafter based on terminal growth rate of 5%.
- Royalty rate: Pre-tax Royalty rate charged for use of brand in India.
- Discount rate: Based on the risk-free rate for a ten-year Government bonds benchmark yields as on the valuation date adjusted for risk premium to reflect both the increased risk of investing in equities and the systematic risk of VIL. In making this adjustment, inputs required are the equity market risk premium and the risk adjustment beta applied to reflect the risk of the specific operating company relative to the market as a whole. Discount rate considered for determining the value is 13.1%.

NOTE 41 : CAPITAL AND OTHER COMMITMENTS

Estimated amount of commitments are as follows:

- Spectrum won in auctions and not assigned to the Company as on the balance sheet date ₹ 14,224 Mn (March 31, 2020: ₹ Nil) (refer note 40(viii)).
- Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 24,596 Mn (March 31, 2020: ₹ 25,110 Mn).
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 40,920 Mn (March 31, 2020: ₹ 40,164 Mn).

NOTE 42 : CONTINGENT LIABILITIES NOT PROVIDED FOR

A) Licensing Disputes:

- i. OTSC (Less than 4.4 MHz) - ₹ 38,570 Mn (March 31, 2020: ₹ 38,570 Mn):

In FY 2015-16 erstwhile VMSL received demands from DoT towards One time spectrum charges for less than 4.4 MHz pursuant to the transfer of licenses of certain subsidiaries amounting to ₹ 33,495 Mn. The Company believes the charges levied by DoT are not tenable, since the merger guidelines are not applicable considering that the said merger did not involve any intra-circle merger and did not result in increase in spectrum holding of the Company. The Demand is challenged and remains sub-judice at TDSAT.

Also, in FY 2015-16, erstwhile VMSL received demand from DoT towards extension of license of Tamil Nadu circle for making it co-terminus with license of Chennai circle amounting to ₹ 5,075 Mn. The Company believes the charges levied by DoT are not tenable, considering the merger of licenses is as per the guidelines issued by DoT in 2005 and as such does not get covered under as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014. The Demand is challenged and remains sub-judice at TDSAT.

- ii. Other Licensing Disputes - ₹ 70,648 Mn (March 31, 2020: ₹ 25,248 Mn):

- Additional demands towards AGR dues for which the company has written to DoT requesting corrections of certain computational errors, admissible pass-through not considered based on the principles laid down in the AGR judgement (refer note 3).

NOTES

forming part of the Financial Statements

- Disputes relating to alleged non-compliance of licensing conditions & other disputes with DoT (including those towards CAF Audit and EMF), either filed by or against the Company and pending before Hon'ble Supreme Court/TDSAT.
- Demands on account of alleged violations in license conditions relating to amalgamation of erstwhile Spice Communications Limited currently sub-judice before the Hon'ble TDSAT.
- Demand with respect to upfront spectrum amounts for continuation of services from February 2, 2012 till various dates in the service areas where the licenses were quashed following the Hon'ble Supreme Court Order.

In October 2015, DoT issued interim guidelines, wherein Microwave Spectrum held by expired/expiring licenses was declared as being held on a provisional basis subject to final outcome of DoT's decision on recommendation by TRAI on the allocation and pricing of Microwave Spectrum. The interim guidelines issued by DoT are not in line with the understanding provided during the earlier auctions as part of Notice Inviting Application (NIA) for the spectrum auction. Basis the interim guidelines, DoT has instructed the Company to provide an undertaking that the pricing and allocation decisions of DoT would be considered final in this respect. The Company has not provided the said undertaking or signed the agreement being against the express and binding confirmations under NIA. Further TDSAT vide its order dated March 13, 2019 set aside the Impugned guidelines and stated 2006 rates hold to be valid, which should be applied from future date as and when notified by DoT as per the judgment. The Hon'ble Supreme Court vide its order dated November 8, 2019 stayed the TDSAT order and directed the Company to furnish bank guarantee till the next date of hearing. Accordingly, the implication of the said order is not considered in the financial statement.

B) Other Matters not acknowledge as debts

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Income tax matters (see note i below)	14,208	13,895
Sales tax and entertainment tax matters (see note ii below)	2,087	1,807
Service tax/Goods and Service Tax (GST) matters (see note iii below)	16,826	16,636
Entry tax and customs matters (see note iv below)	5,148	4,750
Other claims (see note v below)	23,308	15,386
Total	61,577	52,474

i. Income Tax Matters (including Tax deducted at source)

- Appeals filed by the Company against the demands raised by the Income Tax Authorities relates to disputes on non-applicability of tax deductions at source on prepaid margin allowed to prepaid distributors, disputes relating to denial of tax holiday benefit from certain business receipts etc.

The above matters contested by the Company are pending at various appellate authorities against the tax authorities.

ii. Sales Tax and Entertainment Tax

- Sales Tax demands mainly relates to the demands raised by the VAT/Sales Tax authorities of few states on SIM cards etc. on which the Company has already paid Service Tax.
- Demand of tax for non-submission of Declaration forms viz. C forms & F forms in stipulated time limit.
- In one state entertainment tax is being demanded on revenue from value added services.

iii. Service Tax/Goods and Service Tax (GST)

Service Tax/GST demands mainly relates to the following matters:

- Denial of Cenvat credit related to Towers and Shelters.
- Disallowance of Cenvat Credit on input services viewed as ineligible credit.
- Demand of service tax on SMS termination charges, Demand of service tax on reversal of input credit on various matters.

iv. Entry Tax and Customs

- Entry Tax disputes pertains to classification/valuation of goods.
- Demand of customs duty/anti-dumping duty on dispute relating to classification issue. The Company has challenged these demands which are pending at various forums.

v. Other claims not acknowledged as debts

- Mainly include consumer forum cases, disputed matters with local Municipal Corporation, Regional Provident Fund Commission and other miscellaneous sub-judiced disputes.
- Disputes with the Electricity Boards on matters relating to classification of Mobility Towers into Industrial v/s Commercial.

NOTES

forming part of the Financial Statements

The future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions from such forums/authorities. Further, based on the Company's evaluation, it believes that it is not probable that the claims will materialise and therefore, no provision has been recognised for the above.

NOTE 43

The Company incurs certain costs to obtain or fulfil contracts with customers. During the current year, effective October 1, 2020 the Company, based on its updated estimate of the average customer life, has deferred subscriber acquisition cost of ₹ 8,773 Mn in accordance with its policy. Such cost will be amortized over the average expected customer relationship period. The financial impact of this change has resulted in decrease of the Company's loss before and after tax by ₹ 8,028 Mn for the year ended March 31, 2021.

₹ Mn

Costs to obtain a contract with the customer	For the year ended March 31, 2021
Opening Balance	-
Costs incurred	8,773
Less: Cost amortized	(745)
Closing balance	8,028
Current	2,862
Non-current	5,166

NOTE 44 : LEASES

(a) Company as lessee

The Company has adopted the Ind AS 116 from April 1, 2019 which supersedes the Ind AS 17. The effect of adopting Ind AS 116 as on the transition date is as follows:

Impact on balance sheet (Increase/(Decrease))

₹ Mn

Assets	April 1, 2019
Right-of-Use assets (refer note 7)	245,209
Property, plant and equipment (refer note 7)	(4,747)
Intangible assets (refer note 8)	(18,585)
Deferred tax assets (net) (refer note 54)	17,677
Other current assets	(841)
Total assets	238,713
Equity	
Other equity (refer note 20)	(44,649)
Total equity	(44,649)
Liabilities	
Lease liabilities	284,029
Trade payables	(667)
Total liabilities	283,362

NOTES

forming part of the Financial Statements

Set out below are the carrying amounts of RoU assets recognised and the movements during the year:

Particulars	₹ Mn				
	Land & Building	Cell sites	IRU	Others	Total
As at April 1, 2019	14,048	207,049	-	-	221,097
Reclassification to RoU assets	952	-	18,585	4,575	24,112
Restated balance as at April 1, 2019	15,000	207,049	18,585	4,575	245,209
Additions ⁽¹⁾	830	27,281	4,884	445	33,440
Deletions/Adjustments ⁽²⁾	(172)	(10,927)	(240)	(29)	(11,368)
Depreciation expenses	(3,636)	(56,887)	(2,060)	(1,609)	(64,192)
As at March 31, 2020	12,022	166,516	21,169	3,382	203,089
Additions ⁽¹⁾	2,241	26,463	3,568	-	32,272
Deletions/Adjustments ⁽²⁾	(1,123)	(5,585)	(7)	(2)	(6,717)
Depreciation expenses	(3,300)	(54,933)	(2,199)	(1,322)	(61,754)
As at March 31, 2021	9,840	132,461	22,531	2,058	166,890

⁽¹⁾ Additions includes addition of new leases, modification to existing lease in form of lease extension or restriction.

⁽²⁾ Includes reversal of ₹ 536 Mn (March 31, 2020: charge of ₹ 4,020 Mn) on accelerated depreciation on account of network re-alignment.

Set out below are the carrying amounts of lease liabilities (included under lease liabilities) and the movements during the year:

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	268,530	284,029
Additions	32,205	33,161
Accretion of interest	20,783	26,125
Payments	(95,446)	(65,816)
Deletion	(12,201)	(8,969)
Closing Balance	213,871	268,530
Current	104,447	104,421
Non-current	109,424	164,109

The maturity analysis of lease liabilities are disclosed in note 59

The following are the amounts recognized in statement of profit and loss

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation	61,754	64,192
Interest expense on lease liabilities	20,783	26,125
Exceptional items (net)	(1,696)	(2,172)
Total amount recognised in profit and loss	80,841	88,145

(b) Company as lessor

The Company had leased certain Optical Fibre Cables pairs (OFC) on Indefeasible Rights of Use ("IRU") under operating lease arrangements upto the period September 30, 2020 (refer note 40 (iv)). The Company had recognised revenue amounting to ₹ 201 Mn from such arrangements during the previous year.

NOTES

forming part of the Financial Statements

NOTE 45 : DETAILS OF FOREIGN CURRENCY EXPOSURES

A. Hedged by a Derivative Instrument

Amount in Mn

Particulars	As at	
	March 31, 2021	March 31, 2020
Foreign Currency Loan		
Foreign Currency Loan in USD	86	136
Equivalent INR of Foreign Currency Loan ⁽¹⁾	6,703	9,950
Trade Payables and Other financial liability		
Trade Payables and Other financial liability in USD	54	87
Interest accrued but not due on Foreign Currency Loans in USD	-*	1
Equivalent INR of Trade Payables and Other financial liability ⁽¹⁾	4,070	6,576

⁽¹⁾ Amount in INR represents conversion at hedged rate.

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

B. Not hedged by a Derivative Instrument or otherwise

Amount in Mn

Particulars	As at	
	March 31, 2021	March 31, 2020
Foreign Currency Loan		
Foreign Currency Loan in USD	149	236
Equivalent INR of Foreign Currency Loan ⁽¹⁾	10,976	17,757
Trade Payables and Other financial liability		
In USD	718	800
In EURO	140	118
In GBP	15	8
In Other Currency	-*	-*
Equivalent INR of Trade Payables and other financial liability in Foreign Currency ⁽¹⁾	66,317	70,801
Trade Receivables		
In USD	73	82
In EURO	-*	1
In GBP	3	7
Balances with banks-In current accounts in USD	1	1
Equivalent INR of Trade Receivables and bank balances in Foreign Currency ⁽¹⁾	5,828	6,953

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

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

NOTE 46 : INFORMATION AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

₹ Mn

Particulars	As at	
	March 31, 2021	March 31, 2020
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	963	71
(ii) The interest due on above	21	5
The total of (i) & (ii)	984	76
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	3,575	1,317
d) The amounts of interest accrued and remaining unpaid at the end of financial year	52	31
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.	14	21

NOTES

forming part of the Financial Statements

NOTE 47 : MOVEMENT OF ALLOWANCES FOR DOUBTFUL DEBTS/ADVANCES

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	14,303	16,714
Charged to Statement of Profit and Loss (net) (refer note 37)	(659)	(2,187)
Transfer to subsidiary pursuant to demerger of fiber undertaking (refer note 40(iv))	-	(224)
Closing Balance	13,644	14,303

NOTE 48 : ASSET RETIREMENT OBLIGATION

The Company installs equipment's on leased premises to provide seamless connectivity to its customers. In certain cases, the Company may have to incur some cost to remove such equipment's on leased premises. Estimated costs to be incurred for restoration is capitalised along with the assets. The movement of provision as required in Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" is given below:

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Opening balance	169	143
Unwinding of discount	9	27
Utilisation	(14)	(1)
Closing balance	164	169
Current	98	46
Non-current	66	123

NOTE 49 : SHARE BASED PAYMENTS

a) Employee stock option plan - options granted by Vodafone Idea Limited

The Company has granted stock options under the employee stock option scheme (ESOS) 2006 and stock options as well as restricted stock units (RSU's) under ESOS 2013 to the eligible employees of the Company and its subsidiaries from time to time. These options, subject to fulfilment of vesting conditions, would vest in 4 equal annual instalments after one year of the grant and the RSU's will vest after 3 years from the date of grant. The maximum period for exercise of options and RSU's is 5 years from the date of vesting. Each option and RSU when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the Company. The options granted under ESOS 2006 and options as well as RSUs granted under the ESOS 2013 scheme carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the options/RSU's during the year ended March 31, 2021 and March 31, 2020. During the previous year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOS 2013. In the current year, ₹ 295 Mn (March 31, 2020: ₹ Nil) is adjusted against Retained earnings in respect of cancellation/expiration of vested stock option.

As at year ended March 31, 2021 and March 31, 2020 details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
i) Options granted under ESOS 2006				
Options outstanding at the beginning of the year	-	-	177,626	68.86
Options exercised during the year	-	-	-	-
Options cancelled during the year	-	-	8,063	68.86
Options expired during the year	-	-	169,563	68.86
Options outstanding at the end of the year	-	-	-	-
Options exercisable at the end of the year	-	-	-	-
Range of exercise price of outstanding options (₹)	-	-	-	-
Remaining contractual life of outstanding options (months)	-	-	-	-

NOTES

forming part of the Financial Statements

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
ii) Options granted under ESOS 2013				
Options outstanding at the beginning of the year	8,440,553	126.41	12,524,154	126.46
Options cancelled during the year	604,868	128.10	600,438	127.23
Options expired during the year	3,657,609	127.08	3,483,163	126.45
Options outstanding at the end of the year	4,178,076	125.58	8,440,553	126.41
Options exercisable at the end of the year	4,178,076	125.58	8,349,538	126.59
Range of exercise price of outstanding options (₹)	110.45 - 150.10		110.45 - 150.10	
Remaining contractual life of outstanding options (months)	18		24	
iii) RSU's granted under ESOS 2013				
RSU's outstanding at the beginning of the year	1,283,659	10.00	1,295,020	10.00
RSU's cancelled during the year	244,647	10.00	11,361	10.00
RSU's outstanding at the end of the year	1,039,012	10.00	1,283,659	10.00
RSU's exercisable at the end of the year	1,039,012	10.00	1,283,659	10.00
Range of exercise price of outstanding RSU's (₹)	10.00		10.00	
Remaining contractual life of outstanding RSU's (months)	21		31	

The fair value of each option and RSU is estimated on the date of grant/re-pricing based on the following assumptions:

Particulars	ESOS 2006					
	On the date of Grant				On the date of re-pricing	
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II
	(31/12/07)	(24/07/08)	(22/12/09)	(24/01/11)	(21/12/09)	(21/12/09)
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	4 yrs 6 months	5 yrs 9 months
Risk free interest rate (%)	7.78	7.5	7.36	8.04-8.14	7.36	7.36
Volatility (%)	40.00	45.80	54.54	50.45	54.54	54.54
Market price on date of grant/re-pricing (₹)	131.30	91.95	57.55	68.86	57.05	57.05
Fair Value ⁽¹⁾	68.99	48.25	31.34	37.47	18.42	10.57

⁽¹⁾As on the date of transition from IGAAP to Ind AS on April 1, 2015, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	Options ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	(11/02/14)	(29/12/14)	(21/1/16)	(11/2/17)
	Stock Options	Stock Options	Stock Options	Stock Options
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months
Risk free interest rate (%)	8.81 - 8.95	8.04 - 8.06	7.42 - 7.66	6.68 - 7.03
Volatility (%)	34.13-44.81	34.28-42.65	34.24 - 35.33	36.37 - 38.87
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	60.51 [^]	66.27	48.97	46.39

[^]As on the date of transition from IGAAP to Ind AS on April 1, 2015, first instalment of the grant were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

NOTES

forming part of the Financial Statements

₹ Mn

Particulars	RSU's ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.91	8.05	7.60	6.94
Volatility (%)	43.95	35.66	34.24	37.21
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	118.70	140.41	107.71	100.40

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

b) Employee stock option plan – options granted by Vodafone Group Plc

i. Global Long Term Incentive (“GLTI”):

GLTI is a restricted share plan granted to incentivise delivery of sustained performance over the long term plan to selected employees of the Group. In addition to the 3 years vesting conditions, options of certain schemes would depend on achievement of the performance conditions of the Group and Vodafone Group Plc. The plans are administered by Vodafone Group Plc. and the information disclosed is to the extent available.

ii. 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.

iii. Vodafone Global Incentive Plan (“VGIP”):

VGIP is a restricted plan granted as an investment plan to senior management. These options vest in 3 years after the grant date provided the employee remains in the continued employment of the Group during the vesting period. The vesting of these options were subject to satisfaction of performance conditions of the Group and Vodafone Group Plc and market based condition, based on total shareholder return (TSR), which is taken into account when calculating the fair value of share awards. The valuation for the TSR is based on Vodafone's ranking within the same group of companies, where possible over the past five years.

Particulars	As at March 31, 2021	As at March 31, 2020
i) Options granted under GLTI/GLTR	No. of Options	No. of Options
Options exercisable at the beginning of the year	3,133,524	12,090,857
Options granted during the year	14,921	344,048
Options transferred from VMPL	-	28,748
Options forfeited during the year	584,706	648,573
Options cancelled during the year ⁽¹⁾	-	4,122,780
Options exercised during the year	2,292,148	4,558,776
Options outstanding at the end of the year	271,591	3,133,524
Options exercisable at the end of the year	271,591	3,133,524
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	5	5

NOTES

forming part of the Financial Statements

Particulars	As at March 31, 2021	As at March 31, 2020
ii) Options granted under VGIP		
Options exercisable at the beginning of the year	875,693	1,702,228
Options forfeited during the year	435,902	495,427
Options exercised during the year	439,791	331,108
Options outstanding at the end of the year	-	875,693
Options exercisable at the end of the year	-	875,693
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	-	4

⁽¹⁾Options cancelled and replaced with LTIP scheme.

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Liability at the end of the year March 31, 2021 is ₹ 30 Mn (March 31, 2020: ₹ 373 Mn).

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 on the date of grant (₹)
	30/06/16	3 years/2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	196	196
	17/02/17	3 years continuous employment for GLTR	166	166
	26/06/17	3 years/2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	183	183
	17/11/17	1.6 Years continuous employment for GLTR	197	192
GLTI/GLTR	16/02/18	2 years to 2.4 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	179	179
	26/06/18	3 years/2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	166	166
	26/06/19	3 years/2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	110	110
	26/06/20	3 years/2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	117	116
	30/06/16 ⁽¹⁾	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	196	151
VGIP	04/08/17 ⁽²⁾	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	91
	04/08/17	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	188

⁽¹⁾ Vesting percentage: 77.20%

⁽²⁾ Vesting percentage: 48.30%

NOTES

forming part of the Financial Statements

NOTE 50 : EMPLOYEE BENEFITS

A. Defined Benefit Plan (Gratuity)

General description and benefits of the plan

The Company operates a defined benefit final salary gratuity plan through a trust. 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 plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-a-vis settlements. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

Inherent risks

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

The following tables 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	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Amount recognised in Balance Sheet		
Present value of obligations as at the end of the year	2,621	1,990
Fair value of plan assets as at the end of the year	2,340	336
Net Funded Obligation	281	1,654
Present value of unfunded obligations	-	1,296
Net Asset/(Liability) recognised in Balance Sheet	(281)	(2,950)
Net Asset/(Liability) recognised in Balance Sheet is bifurcated as		
- Long term provision	(75)	(2,646)
- Short term provision	(206)	(304)

Sr. Particulars No.	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
1 Reconciliation of Net Defined Benefit Obligation		
Opening Net Defined Benefit liability/(asset)	2,950	2,461
Expense charged to statement of profit & loss	532	543
Expense/(Income) charged to OCI	(360)	253
Employer contributions	(2,750)	(5)
Benefits Paid	(56)	(260)
Liabilities assumed/(settled) ⁽¹⁾	(35)	(42)
Closing Net Defined Benefit liability/(asset)	281	2,950

NOTES

forming part of the Financial Statements

Sr. Particulars No.	For the year ended March 31, 2021	For the year ended March 31, 2020
₹ Mn		
2 Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	3,286	3,083
Current Service cost	347	367
Interest on Defined Benefit Obligation	214	219
Actuarial (Gain)/Loss arising from change in financial assumptions	20	213
Actuarial (Gain)/Loss arising from change in demographic assumptions	-	5
Actuarial (Gain)/Loss arising on account of experience changes	(255)	30
Benefits paid	(956)	(589)
Liabilities assumed/(settled) ⁽¹⁾	(35)	(42)
Closing Defined Benefit Obligation	2,621	3,286
3 Reconciliation of plan assets		
Opening fair value of plan assets	336	622
Employer contributions	2,750	5
Interest on plan assets	29	43
Re measurements due to		
- Actual return on plan assets less interest on plan assets	125	(5)
Benefits paid	(900)	(329)
Closing fair value of plan assets	2,340	336

⁽¹⁾On account of inter group transfer.**Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:**

Sr. Particulars No.	For the year ended March 31, 2021	For the year ended March 31, 2020
₹ Mn		
1 Expenses Recognised in the Statement of Profit & Loss		
Current Service cost	347	367
Interest on Net Defined Benefit liability/(asset)	185	176
Expenses recognised in the Statement of Profit & Loss	532	543
2 Amount recorded as Other Comprehensive Income (OCI)		
Re measurement during the year due to		
- Changes in financial assumptions	20	213
- Changes in demographic assumptions	-	5
- Experience adjustments	(255)	30
- Return on plan assets (excluding amounts included in net interest expense)	(125)	5
Remeasurement (gain)/loss recognised in OCI	(360)	253

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.55%	6.65%
Future salary increases ⁽¹⁾	8.00%	8.00%
Attrition rate	30 years & below - 30%	30 years & below - 30%
	31-40 years - 15%	31-40 years - 15%
	41 years & above - 8%	41 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.

NOTES

forming part of the Financial Statements

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	(3.70%)	3.84%	(3.89%)	4.17%
Impact of decrease in 50 bps on DBO	3.96%	(3.63%)	4.04%	(3.82%)

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.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Within the next 12 months		206		304

Disaggregation details of plan assets (% allocation):

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Insurer Managed Funds ⁽¹⁾		2,340		327
Bank balances		-		9

⁽¹⁾The funds are managed by Insurers and they do not provide breakup of plan assets by investment type.

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	For the year ended March 31, 2021		For the year ended March 31, 2020	
Expected benefits for year 1		386		304
Expected benefits for year 2		220		283
Expected benefits for year 3		211		269
Expected benefits for year 4		182		251
Expected benefits for year 5 and above		2,719		3,563

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.74 years (March 31, 2020: 7.80 years).

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		712		812
Employers' contribution to superannuation fund		65		84

- C. The Company operates its gratuity superannuation plan through separate trust which is administered and managed by the Trustees. As on March 31, 2021 and As on March 31, 2020, the contribution towards the plans have been invested in Insurer Managed funds and bank balance.

NOTES

forming part of the Financial Statements

NOTE 51: AUDITOR'S REMUNERATION

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory Audit Fees	73	89
Certification and Other services (included in Legal and Professional Charges)	5	22
Out of pocket expenses (included in Misc. Expenses)	1	15
Total Remuneration	79	126

NOTE 52: EXPENDITURE FOR CORPORATE SOCIAL RESPONSIBILITY

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

b) Amount spent for the year ended March 31, 2021:

Sr. No.	Particulars	₹ Mn		
		Amount Paid	Amount Payable	Total
1	Education	2	-	2
2	Sanitation	1	-	1
	Total	3	-	3

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

Sr. No.	Particulars	₹ Mn		
		Amount Paid	Amount Payable	Total
1	Education	-*	-	-*
2	Sanitation	9	17	26
	Total	9	17	26

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

During the year, the Company has accrued an amount of ₹ 229 Mn as exceptional items towards amount short spent on CSR activities in earlier years. The same needs to be spent over a period of 2 years starting April 1, 2021. Further, during the year, the Company has contributed ₹ 273 Mn (March 31, 2020: ₹ 364 Mn) to Vodafone Foundation (a Company formed for CSR activities) accrued in the earlier years. The details for amount contributed is as below:

Sr. No.	Particulars	₹ Mn	
		For the year ended March 31, 2021	For the year ended March 31, 2020
1	Healthcare	8	20
2	Education	106	174
3	Agriculture	112	107
4	Others	47	63
	Total	273	364

NOTES

forming part of the Financial Statements

NOTE 53 : INCOME TAX EXPENSES

(a) Major components of tax expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
₹ Mn		
Current Tax		
Adjustments for tax of prior periods ⁽¹⁾	(208)	-
Total Current Tax Expense (A)	(208)	-
Deferred Tax		
Relating to addition & reversal of temporary differences	-	108,448
Relating to derecognition of tax credits	-	-
Total Deferred Tax Expense (B)	-	108,448
Total Tax Expense (A+B)	(208)	108,448
Income tax effect of equity instruments through OCI and re-measurement gains/(losses) on defined benefit plans taken to OCI	-	(1,414)

⁽¹⁾During the Financial Year 2020-21, the Company has opted for Vivad Se Vishwas (VsV) Scheme to settle some of its long pending litigations pertaining to Corporate tax and TDS related matters. Accordingly, write back of excess tax provision/write off amounts of ₹ 208 Mn (net) have been considered where settlement has been agreed and Form 3/5 has been issued by the Department for such VsV applications.

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
₹ Mn		
Loss before income tax expense	(463,145)	(622,867)
Applicable Tax Rate	34.94%	34.94%
Increase/reduction in taxes on account of:		
Effect of unrecognised business loss including reversal of previously recognised DTA on business losses	(41.33)%	(52.95)%
Effect of derecognition of tax credits	0.00%	0.00%
Effects of expenses/income that are not deductible/considered in determining the taxable profits	7.29%	(0.33)%
Effect of transfer of fibre undertaking	0.00%	0.92%
Effect of income that is exempt from taxation	0.00%	0.00%
Effect of changes in tax rate	0.00%	0.00%
Other Items	(0.86)%	0.00%
Effective Tax Rate	0.04%	(17.41)%

(c) During the year ended March 31, 2021, the Company has reassessed recognition of deferred tax assets on carry forward losses, unabsorbed depreciation and MAT credit based on its revised business plan. Accordingly, the Company has de-recognised the deferred tax assets of ₹ Nil (including DTA recognised on transition of Ind AS 116). During the year ended March 31, 2020, the Company has de-recognised the deferred tax assets in respect of MAT credit of ₹ 108,448 Mn.

NOTES

forming part of the Financial Statements

(d) The Company has not recognized deferred tax assets in respect of carried forward tax losses and unabsorbed depreciation amounting to ₹ 1,584,003 Mn as of March 31, 2021 (March 31, 2020: ₹ 1,034,766 Mn). The aforesaid tax losses and unabsorbed depreciation will lapse in the subsequent years as follows:

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Within 0-5 years	-	-
From 5-10 years	801,065	463,503
Unlimited	782,938	571,263
Total	1,584,003	1,034,766

The Company has also not recognised deferred tax on MAT credit of ₹ 25,699 Mn, ₹ 3,496 Mn is expiring within 0-5 years and ₹ 22,203 Mn is expiring within 5-10 years. (During the year ended March 31, 2020, the Company had not recognised deferred tax on MAT credit of ₹ 25,699 Mn, ₹ 2,631 Mn is expiring within 0-5 years, ₹ 15,563 Mn is expiring within 5-10 years and ₹ 7,504 Mn is expiring beyond 10 years).

NOTE 54 : MOVEMENT IN DEFERRED TAX

Particulars	₹ Mn								
	As at April 1, 2019	Recognised in			As at March 31, 2020	Recognised in			As at March 31, 2021
		Profit and Loss	OCI	Other Equity		Profit and Loss	OCI	Other Equity	
Liabilities									
Depreciation & Amortisation (including RoU Assets)	167,414	(27,829)	-	77,533	217,118	(29,992)	-	-	187,126
Effects of remeasuring financial instruments under Ind AS	409	2,435	-	-	2,844	(73)	-	-	2,771
Investment in Subsidiaries, JVs and associates	14,062	(3,336)	(1,229)	-	9,497	(9,497)	-	-	-
Others	120	(120)	-	-	-	-	-	-	-
Total (A)	182,005	(28,850)	(1,229)	77,533	229,459	(39,562)	-	-	189,897
Assets									
Tax Losses	249,483	(119,883)	-	(4,332)	125,268	(20,195)	-	-	105,073
Expenses allowable on Payment Basis	7,606	(2,961)	185	-	4,830	(2,490)	-	-	2,340
Provisions for doubtful debts/advances (including lease liability)	13,848	(14,107)	-	99,251	98,992	(16,759)	-	-	82,233
Others	421	(343)	-	291	369	(118)	-	-	251
Total (B)	271,358	(137,294)	185	95,210	229,459	(39,562)	-	-	189,897
Net Deferred Tax Liabilities/(assets) (A-B)	(89,353)	108,444	(1,414)	(17,677)	-	-	-	-	-
As per Financials :									
Deferred Tax Asset	89,353	-	-	-	-	-	-	-	-
Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-

NOTE 55 : BASIC & DILUTED EARNINGS/(LOSS) PER SHARE

Particulars	₹ Mn	
	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 (₹ Mn)	(462,937)	(731,315)
Profit/(Loss) attributable to equity shareholders (₹ Mn)	(462,937)	(731,315)
Weighted average number of equity shares outstanding during the year	28,735,389,240	27,115,334,543
Basic earnings/(loss) per share (₹)	(16.11)	(26.97)
Dilutive effect on weighted average number of equity shares outstanding during the year	*	*
Weighted average number of diluted equity shares	28,735,389,240	27,115,334,543
Diluted earnings/(loss) per share (₹)	(16.11)	(26.97)

*As the Company has incurred loss during the year, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

NOTES

forming part of the Financial Statements

NOTE 56 : RELATED PARTY TRANSACTIONS

The related parties where control, joint control and significant influence exists are subsidiaries, joint ventures and associates respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

List of subsidiaries

Relationship	Related Party
Subsidiaries (Subs)	Vodafone Idea Communication Systems Limited (formerly Mobile Commerce Solutions Limited)
	Vodafone Idea Business Services Limited (formerly Vodafone Business Services Limited)
	Vodafone Foundation
	Vodafone Idea Shared Services Limited (formerly Vodafone India Ventures Limited)
	Vodafone m-pesa Limited
	Vodafone Idea Technology Solutions Limited (formerly Vodafone Technology Solutions Limited)
	Vodafone India Digital Limited (merged with Vodafone Idea Limited with effect from March 1, 2020 (refer note 40 (vi)))
	Vodafone Idea Telecom Infrastructure Limited (formerly Vodafone Towers Limited)
	You System Integration Private Limited (merged with You Broadband India Limited with effect from March 15, 2021)
	You Broadband India Limited
	Connect (India) Mobile Technologies Private Limited
	Vodafone Idea Manpower Services Limited (formerly Idea Cellular Services Limited)
	Idea Telesystems Limited (merged with Vodafone Idea Limited with effect from March 1, 2020 (refer note 40 (vi)))

Apart from the above, the Company has transactions with the below related parties

Relationship	Related Party
Associate	Aditya Birla Idea Payments Bank Limited
Joint Venture (JV)	Indus Towers Limited ⁽²⁾ (till November 18, 2020)
	Firefly Networks Limited
	Grasim Industries Limited
	Hindalco Industries Limited
	Euro Pacific Securities Limited
	Prime Metals Limited
	Mobilvest
	Vodafone Group PLC
	Vodafone Telecommunications (India) Limited
	Omega Telecom Holdings Private Limited
	Telecom Investment India Private Limited (merged with Omega Telecom Holdings Private Limited, effective from July 4,2020)
	Asian Telecommunications Investments (Mauritius) Limited
	Al-Amin Investments Limited
	Jaykay Finholding (India) Private Limited (merged with Omega Telecom Holdings Private Limited, effective from July 4,2020)
	CCII (Mauritius) Inc
	Usha Martin Telematics Private Limited
	Pilani Investment And Industries Corporation Limited
	Elaine Investments PTE Limited
Oriana Investments PTE Limited	
Birla TMT Holdings Private Limited	
IGH Holdings Private Limited	
Trans Crystal Limited	

NOTES

forming part of the Financial Statements

Relationship	Related Party
	Aditya Birla PE Advisors Private Limited (formerly Aditya Birla Capital Advisors Private Limited)
	Aditya Birla Finance Limited
	Aditya Birla Capital Limited (formerly Aditya Birla Financial Services Limited)
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Health Insurance Company Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Management Corporation Private Limited (ABMCPL)
	Aditya Birla Money Limited
	Aditya Birla Money Mart Limited (ABMML)
	Aditya Birla Wellness Private Limited
	Aditya Birla Capital Technology Services Ltd [formerly Aditya Birla MyUniverse Limited (wholly owned subsidiary of Aditya Birla Capital Limited w.e.f. June 28, 2019)]
	Aditya Birla Renewables Limited
	Aditya Birla Science & Technology Company Private Limited
	Aditya Birla New Age Pvt Ltd
	Aditya Birla Power Composites Limited
	Birla Brothers Private Limited
	Birla Institute of Technology and Science Company
	Aditya Birla Sun Life AMC Limited (formerly Birla Sun Life Asset Management Company Limited)
	Aditya Birla Sun Life Insurance Company Limited (formerly Birla Sun Life Insurance Company Limited)
	Cable & Wireless Networks India Private Limited
	Cable & Wireless Worldwide Limited
	Cable and Wireless (India) Limited
	Emirates Cement Bangladesh Ltd., Bangladesh (ceased to be a subsidiary w.e.f December 2, 2019)
	Gotan Lime Stone Khanij Udyog Private Limited
	Harish Cement Limited
	Hindalco-Almex Aerospace Limited
	Indus Towers Limited ⁽²⁾ (effective from November 19, 2020)
	Star Super Cement Industry LLC, UAE (formerly Binani Cement Factory LLC, UAE)
	Vodafone Global Network Limited
	Ultratech Cement Limited
	Vodafone Limited
	Vodafone Enterprise Global Limited
	Vodafone India Services Private Limited
	Vodafone Network Pty Limited
	Vodafone New Zealand Limited
	Vodafone International Services LLC
	Vodafone Libertel B.V.
	Vodafone Telekomunikasyon A.S
	Vodafone GmbH
	Vodafone Italia S.P.A.
	Vodafone Ireland Limited
	Vodafone Espana S.A.U.
	Vodacom (Pty) Limited
	Vodafone-Panafon Hellenic Telecommunications Company S.A.
	Vodafone Romania S.A
	Vodafone Magyarország (ZRT)
	Vodacom Lesotho (Pty) Limited
	Vodafone Albania Sh.A

Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]

NOTES

forming part of the Financial Statements

Relationship	Related Party
Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]	Vodafone Czech Republic A.S.
	Vodafone Enterprise Europe (UK) Limited
	Vodafone US Inc.
	Vodafone UK Foundation
	Safaricom PLC
	Vodafone Portugal Comunicacoes Pessoais, S.A.
	Vodafone Malta Limited
	Vodafone Net İletişim Hizmetleri A.Ş. (formerly Vodafone Alternatif Telekom Hizmetleri A.S.)
	Vodacom Tanzania PLC.
	Vodacom Congo (RDC) S.A.
	Ghana Telecommunications Company Limited
	Vodafone Group Services Limited (VGSL)
	VM, SA (Vodafone Mozambique)
	Vodafone Enterprise Singapore Pte.Ltd
	Vodafone Global Enterprise Limited
	Vodafone Roaming Services S.A R.L
	Vodafone Procurement Company S.A R.L
	Vodacom Group Limited
	Cable & Wireless Global (India) Private Limited
	Key Management Personnel (KMP)
Mr. Akshaya Moondra	
Mr. Arun Thiagarajan	
Mr. Himanshu Kapania	
Mr. Balesh Sharma (ceased as CEO effective August 19,2019)	
Mr. Ravinder Takkar (Managing Director effective from August 19,2019)	
Smt. Neena Gupta	
Mr. Arun Adhikari	
Mr. Ashwani Windlass	
Mr. Krishnan Ramachandran	
Mr. Suresh Vaswani	
Others	G.D Birla Medical Research & Education Foundation
	Svatantra Microfin Private Limited
	Mahan Coal Limited
Trust ⁽¹⁾	Vodafone Idea Limited Employees Group Gratuity Fund(formerly ICL Employee's Group Gratuity Scheme)
	Vodafone Idea Limited Employees Superannuation Scheme(formerly ICL Employee Superannuation Scheme)
	Vodafone Idea Manpower Services Limited Employees Group Gratuity Scheme(formerly Idea Cellular Services Limited Employee's Gratuity Scheme)
	Hutchison Max Telecom Limited Superannuation Fund

⁽¹⁾Transaction with trust includes contribution to provident fund, pension, gratuity and superannuation funds and refer note 50 for information on transaction with post-employment benefit plans mentioned above.

⁽²⁾Effective from November 19, 2020, Indus Towers Limited ("Indus") merged with and into Bharti Infratel Limited ("BIL").The merged entity is hereafter named as Indus Towers Limited "Indus". Pursuant to this merger, the relationship of the Company with Indus Tower Limited has changed from Joint Venture (till November 18, 2020) to Entities having significant influence (from November 19, 2020).

NOTES

forming part of the Financial Statements

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

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter	Others	Subsidiaries
Sale of Service	4	3,186	5	-	83	2	201
	(1)	(2,470)	(11)	-	(28)	-	(218)
Purchase of Service	-	35,794 [#]	51,508 [*]	-	-	-	8,849
	- [*]	(9,282) [#]	(80,093) [^]	-	-	-	(6,282)
Remuneration ⁽¹⁾	-	-	-	67	-	-	-
	-	-	-	(90)	-	-	-
Directors' sitting fees paid	-	-	-	8	-	-	-
	-	-	-	(10)	-	-	-
Interest expense	-	-	-	-	-	-	88
	-	-	-	-	-	-	(4)
Expenses incurred on behalf of	-	52	-	-	-	-	136
	-	(130)	-	-	-	-	(388)
Expenses incurred on Company's behalf by	-	44	-	-	-	-	21
	-	(71)	-	-	-	-	(70)
Receipt of money towards Settlement Asset	-	-	-	-	19,748	-	-
	-	-	-	-	-	-	-
Proceeds of Right Issue	-	-	-	-	-	-	-
	-	-	-	(8)	(179,199)	-	-
Payment made on behalf of	-	-	-	-	-	-	353
	-	-	-	-	-	-	(808)
Payment Received on behalf of	-	-	-	-	-	-	1,534
	-	-	-	-	-	-	(23)
Liquidation Expenses	-	-	-	-	-	-	-
	(98)	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
	-	-	-	-	-	-	(650)
Sale of Fixed Assets	-	-	-	-	-	-	1
	-	-	-	-	-	-	(566)
Transfer of Fibre Undertaking (Refer note 40(iv))	-	-	-	-	-	-	-
	-	-	-	-	-	-	(46,579)
Purchase of Fixed Assets	-	-	-	-	-	-	1
	-	-	-	-	-	-	(9)
Purchase of Intangible Assets	-	-	-	-	-	-	3
	-	-	-	-	-	-	-
Security Deposit given	-	-	-	-	-	-	-
	-	-	-	-	-	-	(900)
Insurance premium (including advance given)	-	62	-	-	-	-	-
	-	(195)	-	-	-	-	-
Loan given during the year	-	-	-	-	-	-	-
	-	-	-	-	-	-	(155)
Loan repaid during the year	-	-	-	-	-	-	2,110
	-	-	-	-	-	-	(1,684)
Loan repayment received	-	-	-	-	-	-	2,856
	-	-	-	-	-	-	-
Interest Income	-	-	1	-	-	-	-
	-	-	(1)	-	-	-	(712)
Dividend Received	-	-	1,115	-	-	-	-
	-	-	-	-	-	-	-
Donations Given	-	-	-	-	-	-	273
	-	-	-	-	-	-	(364)
Loan taken during the year	-	-	-	-	-	-	1,620
	-	-	-	-	-	-	(1,220)

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

NOTES

forming part of the Financial Statements

B. Balances with Related Parties

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter	Others	Subsidiaries
Trade and Other Receivables	7	2,206	-	-	15	1	56
	(1)	(1,336)	(9)	-	(8)	-	(302)
Trade and Other Payables	-	58,234	-	-	-	-	1,775
	(24)	(14,956)	(34,550)	-	-	-	(211)
Lease Liability (included in Other non-current financial liabilities and Other current financial liabilities)	-	104,514 [~]	-	-	-	-	-
	-	-	(120,559)	-	-	-	-
Deposits Given (included in Other Non Current Financial Assets)	-	1,590	-	-	-	-	900
	-	-	(1,000)	-	-	-	(900)
Other Current Assets (included in Other Current Financial Assets)	-	73	-	-	-	-	-
	-	(82)	-	-	-	-	-
Business Consideration Receivable (refer note 40(iv))	-	-	-	-	-	-	46,579
	-	-	-	-	-	-	(46,579)
Interest Accrued but not due (receivable)	-	-	-	-	-	-	15
	-	-	-	-	-	-	(38)
Remuneration payable	-	-	-	15	-	-	-
	-	-	-	(2)	-	-	-
Prepaid Expenses	-	384	-	-	-	-	1
	-	-	(484)	-	-	-	-
Outstanding loan receivable	-	-	8	-	-	-	9,077
	-	-	(8)	-	-	-	(11,933)
Interest payable	-	-	-	-	-	-	4
	-	-	-	-	-	-	(3)
Other receivable	-	347	-	-	-	-	-
	-	-	(1,224)	-	-	-	-
Outstanding loan payable	-	-	-	-	-	-	730
	-	-	-	-	-	-	(1,220)
Advance received	-	-	-	-	-	-	16
	-	-	-	-	-	-	(19)
Advance given	-	-	-	-	-	-	-
	-	-	-	-	-	-	(2)

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

⁽¹⁾ Remuneration includes amounts towards LTIP and ESOP basis actual payment/exercise. There is no remuneration paid to Mr. Ravinder Takkar from VIL and neither any amount is charged back to the Company by any other entity towards his remuneration during the current year and previous period.

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

^Includes amounts accrued on account of onerous contract (Site Exits) involving invoicing and settlements over a 3 years period.

#The Company is one of the members of ABMCPL, a Company limited by guarantee, which has been formed to provide common pool of facilities and resources to its members with a view to optimise the benefits of specialisation and minimize cost to each member. The Company's share of expenses incurred under the common pool has been accounted for at actuals in the respective heads in the Statement of Profit and Loss. Further, the Company had entered into a recharge agreement with ABMPCL pursuant to amalgamation of VMSL and VInL with the Company effective August 31, 2018 for availing such services. During the year, effective October 1, 2020, the Company has terminated the arrangement with ABMCPL. Purchase of Services includes the charge towards such Business Support Services for ABMCPL amounting to ₹ 656 Mn (March 31, 2020 ₹ 2,259 Mn).

Further, the Company had also entered into a recharge agreement with VGSL for Business Support services effective August 31, 2018. During the year, effective October 1, 2020, the Company has revised the arrangement with VGSL. Purchase of Services includes the charge towards such Business Support Services for VGSL amounting to ₹ 3,528 Mn (March 31, 2020 ₹ 5,395 Mn).

~Lease liability includes amount for services availed till March 31, 2021 and for services to be received in future which is payable over the lease period. The same has been created pursuant to adoption of Ind AS 116.

NOTES

forming part of the Financial Statements

Note:

(i) Related Party transactions excludes assets/liabilities transferred to VIL pursuant to ITL and VIDL merger and transferred from VIL to VITIL on account of demerger of fiber undertaking.

(ii) Above excludes any cash inflow/outflow that could possibly arise from the settlement of certain outstanding disputes pertaining to the period until May 31, 2018 pursuant to the implementation agreement entered between the Company and ViNL shareholders. The Company has recognised a settlement asset of ₹ 63,939 Mn as at March 31, 2021 (March 31, 2020: ₹ 83,687 Mn) towards the same.

(iii) Guarantees given by bankers to third party on behalf of the Company, counter guaranteed by the VITIL of ₹ 19,350 Mn, is availed by the Company.

(iv) With respect to options that have already exercised there is an outstanding liability of ₹ 1,150 Mn payable to entities having significant influence. (March 31, 2020: ₹ 666 Mn).

(v) During the year the Company has Contributed to Gratuity Fund amounting to ₹ 2,750 Mn (March 31, 2020: ₹ 5 Mn)

C. Commitments with Related Parties ₹ Nil (March 31, 2020 : ₹ Nil).

D. Compensation of Key Management Personnel of the Company

Particulars	₹ Mn	
	March 31, 2021	March 31, 2020
Short-term employee benefits	66	77
Post-employment benefits ⁽¹⁾	1	2
Share-based payment transactions	-	11

⁽¹⁾ Represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

NOTE 57

Disclosure as per the requirement of regulation 34 of the Securities and Exchange Board of India (Listing obligations and disclosure requirements) regulations, 2015:

The amounts at the year end and the maximum amount of loans and advances outstanding during the year is as follows :

Name of the Company	As at March 31, 2021		As at March 31, 2020	
	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
	₹ Mn			
Subsidiaries				
Vodafone Idea Business Services Limited (formerly known as Vodafone Business Services Limited) ⁽¹⁾	8,176	9,800	9,800	10,358
Vodafone Idea Telecom Infrastructure Limited (formerly known as Vodafone Towers Limited)	-	-	-	100
Vodafone Foundation ⁽¹⁾	5	5	5	5
Vodafone m-pesa Limited ⁽¹⁾	806	806	806	1,006
Vodafone Idea Technology Solutions Limited (formerly known as Vodafone Technology Solutions Limited) ⁽¹⁾	90	95	95	95
You Broadband India Limited	-	1,103	1,103	1,729
Vodafone Idea Shared Services Limited (formerly known as Vodafone India Ventures Limited)	-	124	124	324
Joint Venture				
Firefly Networks Limited	8	8	8	8
	9,085	11,941	11,941	13,625

⁽¹⁾The amounts mentioned above represents gross amount outstanding (refer note 16)

NOTES

forming part of the Financial Statements

NOTE 58 : FINANCIAL INSTRUMENTS

A. Financial Instruments by Category: The following table provides categorisation of all financial instruments at carrying value except non-current investments in subsidiaries and associate which are carried at cost.

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Current Investments	-	-	-	4,548	-	-
Non-current investments	-	10	-	-	42,165	-
Trade Receivables	-	-	24,408	-	-	29,191
Loans	-	-	5,556	-	-	8,421
Cash and cash equivalents	-	-	2,402	-	-	3,223
Bank balance other than cash and cash equivalents	-	-	5	-	-	16,504
Margin money deposits ⁽¹⁾	-	-	22,332	-	-	8,235
Deposit with Body Corporates, Government Authorities and Others ⁽¹⁾	-	-	9,745	-	-	15,529
Interest receivable ⁽¹⁾	-	-	341	-	-	1,153
Derivative Financial Assets ⁽¹⁾	-	-	-	822	-	-
Settlement assets ⁽¹⁾	-	-	63,939	-	-	83,687
Business consideration receivable ⁽¹⁾ (refer note 40(iv))	-	-	46,579	-	-	46,579
Others ⁽¹⁾	-	-	601	-	-	1,545
Total Financial Assets	-	10	175,908	5,370	42,165	214,067

₹ Mn

Particulars	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities				
Fixed Rate loans from banks and others including Interest accrued but not due	-	89,527	-	122,525
Floating Rate loans from banks and others including Interest accrued but not due	-	144,971	-	157,288
Deferred Payment Obligations including Interest accrued but not due	-	1,633,292	-	932,447
Trade Payables	-	132,933	-	121,460
Payables for Capital Expenditure ⁽²⁾	-	82,004	-	88,581
Accrual towards One Time Spectrum Charges (OTSC) (refer note 40(vii))	-	43,898	-	38,871
Derivative Financial Liabilities ⁽²⁾	440	-	-	-
Security Deposits from Customers and Others ⁽²⁾	-	3,279	-	3,700
Lease liabilities ⁽²⁾	-	213,871	-	268,530
Others ⁽²⁾	3	-	4	-
Total Financial Liabilities	443	2,343,775	4	1,733,402

₹ Mn

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

⁽²⁾Included in other current/non-current financial liabilities

NOTES

forming part of the Financial Statements

B. Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values

i. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2021.

₹ Mn				
Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current Investments	-	-	-	-
Non-current investments	-	10	-	10
Derivative Financial Assets	-	-	-	-
Total Financial Assets	-	10	-	10
Financial Liabilities				
Derivative Financial Liabilities	-	440	-	440
Others	-	3	-	3
Total Financial Liabilities	-	443	-	443

ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2020.

₹ Mn				
Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current Investments	4,548	-	-	4,548
Non-current investments	-	42,165	-	42,165
Derivative Financial Assets	-	822	-	822
Total Financial Assets	4,548	42,987	-	47,535
Financial Liabilities				
Others	-	4	-	4
Total Financial Liabilities	-	4	-	4

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

a) Financial Assets

- Non-current investments (excluding non-current investments in joint venture)
- Trade Receivables
- Loans
- Cash and Cash equivalents
- Bank balance other than cash and cash equivalents
- Margin money deposits
- Deposit with Body Corporates, Government Authorities and Others
- Interest Receivable
- Settlement assets
- Business consideration receivable
- Others

b) Financial Liabilities

- Floating Rate Borrowings including Interest accrued but not due
- Trade Payables
- Payable for capital expenditure
- Accrual towards One Time Spectrum Charges (OTSC)
- Security Deposits from Customers and Others
- Lease liabilities

NOTES

forming part of the Financial Statements

iv. Fair value hierarchy of financial liabilities measured at amortised cost is below:

Particulars	₹ Mn				
	Carrying Amount	Level 1	Level 2	Level 3	Total
Fixed rate loans from banks and others including interest accrued but not due					
As at March 31, 2021	89,527	-	73,987	-	73,987
As at March 31, 2020	122,525	-	113,948	-	113,948
Deferred Payment Obligations including interest accrued but not due					
As at March 31, 2021	1,633,292	-	1,739,923	-	1,739,923
As at March 31, 2020	932,447	-	989,113	-	989,113

C) Valuation Technique used to determine fair value including fair value though OCI:

Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Company enters into derivative financial instruments such as forward, interest rate swap and cross currency swaps with various counterparties. The fair value of such derivatives instruments are determined using forward exchange rates, currency basis spreads between respective currencies and interest rate curves.

NOTE 59 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, derivative liabilities, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise investments, cash and bank balance, trade and other receivables. The Company also enters into derivative transactions such as foreign forward exchange contracts, Interest rate and currency swaps as a part of Company's financial risk management policies. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Company's senior management comprising of a team of qualified finance professionals with appropriate skills and experience oversees management of these risks and provides assurance to the management that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activity for risk management purposes are carried by specialist team having appropriate skills and experience. The risks and measures to mitigate such risks is reviewed by the committee of Board of Directors periodically.

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, bank deposits, investments and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At March 31, 2021, after taking into account the effect of interest rate swaps, approximately 92.00% of the Company's borrowings are at a fixed rate of interest (March 31, 2020: 86.46%).

NOTES

forming part of the Financial Statements

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ Mn		
Particulars	Increase/decrease in basis points	Effect on profit before tax
March 31, 2021		
INR - Borrowings	+100	(1,271)
	-100	1,271
USD - Borrowings	+100	(173)
	-100	173
March 31, 2020		
INR - Borrowings	+100	(1,278)
	-100	1,278
USD - Borrowings	+100	(280)
	-100	280

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

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), payables for capital expenditure denominated in foreign currency and foreign currency borrowing.

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

When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company has major foreign currency risk in USD EURO and GBP. The Company hedged 6.94% (March 31, 2020: 9.84%) of its foreign currency trade payables and other financial liabilities in USD and 36.66% (March 31, 2020: 36.65%) of its foreign currency loans in USD. This foreign currency risk is hedged by using foreign currency forward contracts and cross currency rate swaps (refer note 45). However, the Company has not hedged the foreign currency trade payables in EURO and GBP.

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. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ Mn		
Currency exposure	Change in currency exchange rate	Effect on profit before tax
March 31, 2021		
USD	+5%	(2,918)
	-5%	2,918
EURO	+5%	(601)
	-5%	601
GBP	+5%	(58)
	-5%	58
March 31, 2020		
USD	+5%	(3,592)
	-5%	3,592
EURO	+5%	(487)
	-5%	487
GBP	+5%	(5)
	-5%	5

The derivatives have not been designated in a hedge relationship, they act as a hedge and will offset the underlying transactions when they occur.

NOTES

forming part of the Financial Statements

c) Price risk

The Company invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

- 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 15 to 30 days' credit terms. Outstanding customer receivables are regularly monitored.

The Company follows a 'simplified approach' (i.e. based on lifetime Expected credit losses (ECL)) for recognition of impairment loss allowance on Trade receivables (including lease receivables). A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Company, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90/120 days from date of billing and b) for other trade receivables on account of Interconnect, Roaming, Fixed line Voice and data service etc. remaining unpaid beyond 180/365 days. Further, allowance is also recognised for cases indicating any specific trail of credit loss within the ageing brackets mentioned above. Individual trade receivables are written off when management deems them not to be collectible. Any subsequent recovery is recognized as Income in the Statement of Profit and Loss. Refer Note 13 for the carrying amount of credit exposure as on the Balance Sheet date.

- Other financial assets and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's Treasury Department periodically, and may be updated throughout the year. The limits are intended to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2021 and March 31, 2020 on its carrying amounts as disclosed in notes 10, 14, 16 and 17 except for derivative financial instruments. The Company's maximum exposure relating to financial derivative instrument is noted in note 59 (e) and liquidity table below.

e) 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's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. As at March 31, 2021, approximately 7.99% of the Company's debt excluding interest will mature in less than one year, without considering reclassification into current maturity of debt due to convert breach (March 31, 2020: 3.96%) based on the carrying value of borrowings reflected in the financial statements. Based on the past performance and future expectation, the Company believes that the existing cash balance along with cash generated from operations, working capital management, successful negotiations with lenders including re-financing of debts, acceptance of its request to defer the April 2022 instalment by DoT, clarity with respect to the AGR Judgement instalment amount in line with the modification application filed with the Hon'ble Supreme Court and available sources of raising funds (including monetisation of certain assets) as needed will satisfy its cash flow requirement associated with repayment of borrowings and other liabilities from its operation (refer note 4, 21(D) and 21 (E)).

NOTES

forming part of the Financial Statements

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

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
₹ Mn					
As at March 31, 2021					
Loans from banks and others and Interest thereon ⁽¹⁾	234,498	187,660*	75,095	5,208	267,963
Deferred Payment Obligations and Interest thereon ⁽²⁾	1,633,292	155,311^	952,552	1,583,180	2,691,043
Trade and other payables ⁽³⁾	258,835	245,768	15,026	-	260,794
Lease liabilities	213,871	116,165	118,599	17,473	252,237
Other financial liabilities ^{(1),(2)&(3)}	3,282	3,237	45	-	3,282
	2,343,778	708,141	1,161,317	1,605,861	3,475,319
Derivatives liabilities ⁽⁴⁾	440	434	6	-	440
Total	2,344,218	708,575	1,161,323	1,605,861	3,475,759
As at March 31, 2020					
Loans from banks and others and Interest thereon ⁽¹⁾	279,813	213,551*	99,827	-	313,378
Deferred Payment Obligations and Interest thereon ⁽²⁾	932,447	504	627,979	1,199,299	1,827,782
Trade and other payables ⁽³⁾	248,912	193,053	62,275	-	255,328
Lease liabilities	268,530	122,953	177,600	15,506	316,059
Other financial liabilities ^{(1),(2)&(3)}	3,704	3,658	46	-	3,704
	1,733,406	533,719	967,727	1,214,805	2,716,251
Derivatives assets ⁽⁴⁾	(822)	(691)	(131)	-	(822)
Total	1,732,584	533,028	967,596	1,214,805	2,715,429

*The Company has classified an amount of ₹ 85,472 Mn (March 31, 2020: ₹ 142,757 Mn) from non-current borrowings to current maturities of long term debt although the Company believes that there will be no acceleration of payment in this regard (refer note 21(D))

^Includes deferred payment liability towards spectrum (including interest thereon) of ₹ 64,392 Mn which is considered as payable within one year basis current correspondence with DoT and additional Bank Guarantees of ₹ 9,757 Mn is to be provided to avail the additional moratorium of 1 year. (refer note 21(E)).

⁽¹⁾Interest accrued but not due of ₹ 3,055 Mn (March 31, 2020: ₹ 5,645 Mn) has been excluded from other financial liabilities and included in Loans from banks and others and interest thereon.

⁽²⁾Interest accrued but not due of ₹ 60,902 Mn (March 31, 2020: ₹ 55,440 Mn) has been excluded from other financial liabilities and included in Deferred Payment Obligations and interest thereon.

⁽³⁾Payable for capital expenditure of ₹ 82,004 Mn (March 31, 2020: ₹ 88,581 Mn) and Accrual towards One Time Spectrum Charges (OTSC) of ₹ 43,898 Mn (March 31, 2020: ₹ 38,871 Mn) has been excluded from other financial liabilities and included in trade and other payables.

⁽⁴⁾Included as part of maturity profile as the underlying of these derivatives are borrowings and other financial liabilities included above.

NOTE 60 : CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using the net debt-equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, unencumbered fixed deposit with banks having maturity of 3 to 12 months and investment in liquid mutual funds.

NOTES

forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Loans from banks and others	65,576	87,821
Deferred Payment Obligations	1,509,309	876,525
Current Maturities of loans from banks and others	165,869	186,347
Current Maturities of Deferred Payment obligations	63,079	482
Less: Investment in liquid mutual funds	-	(4,548)
Less: Cash and cash equivalents	(2,402)	(3,223)
Less: Fixed deposits with banks having maturity of 3 to 12 months	(2)	(16,500)
Net debt (A)	1,801,429	1,126,904
Equity share capital	287,354	287,354
Other Equity	(664,430)	(197,341)
Total Equity (B)	(377,076)	90,013
Net debt-equity ratio (A)/(B)	(4.78)	12.52

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020.

NOTE 61

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

For and on behalf of the Board of Directors of **Vodafone Idea Limited**

Nilangshu Katriar
Partner
Membership No.: 58814
Place: Mumbai

Himanshu Kapania
Director
(DIN : 03387441)
Place: Mumbai

Ravinder Takkar
Managing Director & Chief Executive Officer
(DIN : 01719511)
Place: Gurugram

Date : June 30, 2021

Akshaya Moondra
Chief Financial Officer
Place: Mumbai

Pankaj Kapdeo
Company Secretary
Place: Mumbai

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Vodafone Idea Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Vodafone Idea Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint venture comprising of the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statements and on the other financial information of joint venture the aforesaid consolidated 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 consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 consolidated Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the financial statements, which describes the Company's financial condition as at March 31, 2021

and its debt and AGR obligations due for the next 12 months. The Company's financial performance has impacted its ability to generate the cash flow that it needs to settle / refinance its liabilities and guarantees as they fall due, which along with its financial condition is resulting in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern.

The said assumption of going concern is essentially dependent on its ability to raise additional funds as required in line with the approval by the Company's board of directors in its meeting on September 4, 2020, successful negotiations with lenders on continued support, refinancing of debts, monetisation of certain assets, outcome of the modification application filed with the Hon'ble Supreme Court and clarity of the next installment amount, acceptance of its deferment request by DoT and generation of cash flow from its operations that it needs to settle / renew its liabilities / guarantees as they fall due. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition <i>(as described in note 5(a) of the Consolidated Ind AS financial statements)</i>	
<p>For the year ended March 31, 2021, the service revenue recognised was ₹ 419,331 million.</p> <p>Revenue recognition has been identified as a key audit matter due to complexity of systems in recognizing revenues, significance of volumes of data process by system, constantly evolving pricing with discounted tariffs and operation in highly competitive marketplace.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • With the assistance by IT specialists, we obtained an understanding, evaluated the design and tested the operating effectiveness of key IT general and application controls related to the revenue recognition processes. We also tested relevant IT infrastructure and applications that result in generation of various IT reports used for billing and revenue recognition process. • We tested the operating effectiveness of IT dependent manual controls, performed data analytics and trend analysis, test of reconciliations between billing and other IT systems, prepaid applications and the general ledger. We performed procedures to test the computation of deferred revenue. • We read and assessed the revenue related accounting policy, critical estimates and assumptions and disclosures in the consolidated Ind AS financial statements.
Assessment of claims related regulatory, taxation and legal matters <i>(as described in note 45, 3 and 43(v) of the Consolidated Ind AS financial statements)</i>	
<p>At March 31, 2021 the value of regulatory, tax and legal disputes disclosed as contingent liabilities was ₹ 171,472 million.</p> <p>Pursuant to the Hon'ble Supreme Court judgement, Company has recorded the provision for AGR of ₹ 228,168 million during FY 2020-21 and ₹ 442,336 million during FY 2019-20. Further, the Company has also recorded provision of ₹ 5,027 million during FY 2020-21 and ₹ 38,871 million during FY 2019-20 for one time spectrum charges for more than 6.2 MHz spectrum.</p> <p>Taxation, regulatory and litigation exposures have been identified as a key audit matter due to changing regulatory environment and significant judgement required by management in assessing the exposure of each case.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained summary of all tax, regulatory and litigation matters including management's assessment. • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to management's risk assessment process for taxation, regulatory and legal matters. • We obtained and read external legal opinions (where considered necessary) and other evidences provided by management to corroborate management's assessment of regulatory and legal matters. • Engaged tax/regulatory specialists to assess the tax/regulatory positions taken by management with respect to tax/regulatory litigations. • Verified the provisions recorded in the books by the Company including the interest computations based on the demands received by the Company from DoT, internal records of the Company based on the Hon'ble Supreme Court judgement and validated the computations in accordance with licence agreement and Hon'ble Supreme Court judgement for the provisions recorded in the books. • Assessed the relevant accounting policies and disclosures in the consolidated Ind AS financial statements for compliance with the requirements of accounting standards.
Borrowings, interest and debt covenant testing <i>(as described in note 24 of the Consolidated Ind AS financial statements)</i>	
<p>At March 31, 2021, current and non-current borrowings including interest accrued and AGR liability was ₹ 1,867,055 million and bank guarantee was ₹ 239,981 million.</p> <p>Annual covenant testing as at March 31, 2021 resulted in certain ratios breaching the specified covenant threshold for loans aggregating ₹ 98,745 Mn. Accordingly, the Company has classified ₹ 85,472 Mn from non-current borrowings to current maturities of long-term debt.</p> <p>Borrowings has been identified as a key audit matter due to debt covenant testing, change in credit ratings of the loans and various correspondences received from banks and financial institutions for additional security / increase in interest rate resulting in recognition, presentation and measurement complexities.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the debt covenant ratio specified in the loan agreements and the computation and assessed the classification of the borrowing in financial statement based on the results of such testing and waiver from the bank, if any. • We obtained independent confirmation from the bank with respect to borrowings and non-fund based facilities [including bank guarantees/letter of credit] outstanding as at March 31, 2021 and compared the amounts as per confirmations with the amounts in the books of accounts and tested the reconciliation provided by management. • We verified the interest/commission rate used by the Company for computation of interest cost with the loan/bank guarantee agreements and various correspondences received by the Company from respective banks and corresponding increase in rates due to non-remediation of debt covenant and downgrade in credit rating. • We verified the security created against fund and non-fund facilities with the agreements and documents related to charges filed with Register of Companies. • We assessed the borrowing related accounting policy and disclosures in the consolidated Ind AS financial statements for compliance as per Ind AS 107.

Other Information

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report, is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture 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 by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint venture 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing

the ability of the Group and of its associate and joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture 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 consolidated Ind AS 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 Group and its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) The consolidated Ind AS financial statements also includes the Group's share of net profit after tax of ₹ 14 million and total comprehensive income of ₹ 14 million for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial

information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of the joint venture and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements and other financial information of an associate and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditor whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditor;
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated 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 by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019;
- (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate and joint venture, none of the directors of the Group's

- companies, its associate and joint venture incorporated in India 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 and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate and joint venture incorporated in India, refer to our separate Report in "Annexure" to this report;
- (h) In our opinion and based on the consideration of report of other statutory auditor of the joint venture, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Group, its associate and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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 and based on the consideration of the report of the other auditor on separate financial statements and other financial information of an associate and a joint venture, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint venture in its consolidated Ind AS financial statements – Refer Note 45 to the consolidated Ind AS financial statements;
- ii. The Group, its associate and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group, its associate and joint venture.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Nilangshu Katriar**

Partner

Membership No.: 58814

UDIN: 21058814AAAAAZ9750

Place: Mumbai

Date: June 30, 2021

Annexure to the Independent Auditor's Report

of even date on the Consolidated Financial Statements of Vodafone Idea Limited

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

In conjunction with our audit of the consolidated financial statements of Vodafone Idea Limited (formerly known as Idea Cellular Limited) as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Vodafone Idea Limited (formerly known as Idea Cellular Limited) (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 over financial reporting with reference to these consolidated 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated 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 consolidated 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 consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated 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 Holding Company, its subsidiary companies, its associate and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to one associate

company and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such associate and joint venture incorporated in India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Nilangshu Katriar**

Partner

Membership Number: 58814

UDIN: 21058814AAAAAZ9750

Place: Mumbai

Date: June 30, 2021

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
₹ Mn			
ASSETS			
Non-current assets			
Property, plant and equipment (including RoU Assets)	7	575,704	663,113
Capital work-in-progress	7	5,996	10,415
Investment property	8	-	660
Intangible assets	9	1,099,200	1,194,592
Intangible assets under development	9	63	966
Investments accounted for using the equity method	10	41	15,244
Financial assets			
Other non-current financial assets	11	77,323	82,459
Deferred tax assets (net)	55	23	20
Other non-current assets	12	135,461	134,866
Total non-current assets (A)		1,893,811	2,102,335
Current assets			
Inventories	13	6	25
Financial assets			
Current investments	14	-	4,548
Trade receivables	15	25,070	30,943
Cash and cash equivalents	16	3,503	3,708
Bank balance other than cash and cash equivalents	17	18,662	22,922
Loans to joint venture and others	18	9	9
Other current financial assets	19	2,117	23,033
Other current assets	20	90,975	81,673
Total current assets (B)		140,342	166,861
Assets classified as held for sale (AHFS) (C)	21	653	-
Total Assets (A+B+C)		2,034,806	2,269,196

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

Particulars	Notes	₹ Mn	
		As at March 31, 2021	As at March 31, 2020
EQUITY AND LIABILITIES			
Equity			
Equity share capital	22	287,354	287,354
Other equity	23	(669,634)	(227,555)
Total equity (A)		(382,280)	59,799
Liabilities			
Non-current liabilities			
Financial liabilities			
Long term borrowings			
Loans from banks and others	24 (A)	64,846	86,279
Deferred payment obligations	24 (B)	1,509,309	876,525
Trade payables		1,268	6,660
Other non-current financial liabilities	25	172,819	274,073
Long term provisions	26	416	3,421
Deferred tax liabilities (net)	55	22	38
Other non-current liabilities	27	4,381	4,611
Total non-current liabilities (B)		1,753,061	1,251,607
Current liabilities			
Financial liabilities			
Short term borrowings	28	-	322
Trade payables		132,757	117,672
Other current financial liabilities	29	466,819	377,135
Other current liabilities	30	63,991	462,168
Short term provisions	31	458	493
Total current liabilities (C)		664,025	957,790
Total Equity and Liabilities (A+B+C)		2,034,806	2,269,196

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

For and on behalf of the Board of Directors of **Vodafone Idea Limited**

Nilangshu Katriar

Partner

Membership No.: 58814

Place: Mumbai

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Ravinder Takkar

Managing Director & Chief Executive Officer

(DIN : 01719511)

Place: Gurugram

Akshaya Moondra

Chief Financial Officer

Place: Mumbai

Pankaj Kapdeo

Company Secretary

Place: Mumbai

Date : June 30, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

₹ Mn

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Service revenue		419,331	449,123
Sale of trading goods		51	44
Other operating income	32	140	408
Revenue from operations		419,522	449,575
Other income	33	1,742	10,393
Total income		421,264	459,968
OPERATING EXPENDITURE			
Cost of trading goods		30	39
Employee benefit expenses	34	20,300	21,643
Network expenses and IT outsourcing cost	35	95,938	109,916
License fees and spectrum usage charges	36	41,295	48,482
Roaming and access charges	37	52,906	59,976
Subscriber acquisition and servicing expenditure	38	17,677	29,299
Advertisement, business promotion expenditure and content cost	39	7,875	11,774
Other expenses	40	14,044	19,321
		250,065	300,450
Profit/(Loss) before finance costs, depreciation, amortisation, share of net profit/(loss) of joint ventures and associate, exceptional items and tax		171,199	159,518
Finance costs	41	179,981	153,920
Depreciation	7 & 8	145,013	152,080
Amortisation	9	91,372	91,484

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

₹ Mn

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(Loss) before share of profit/(loss) of joint ventures and associate, exceptional items and tax		(245,167)	(237,966)
Add : Share in profits/(loss) of joint ventures (net)	62	2,314	3,677
Add: Share in profit/(loss) of associate	62	-	(124)
Profit/(Loss) before exceptional items and tax		(242,853)	(234,413)
Exceptional items (net)	42	(199,681)	(383,557)
Profit/(Loss) before tax		(442,534)	(617,970)
Tax expense:			
- Current tax	54	(180)	4
- Deferred tax	54 & 55	(23)	120,807
Profit/(Loss) after tax		(442,331)	(738,781)
Other comprehensive income/(loss)			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(loss) on defined benefit plans	53	374	(281)
Income tax effect	54 & 55	(4)	193
Group's share in other comprehensive income/(loss) of joint ventures and associate (net of taxes)	62	(2)	(2)
Other comprehensive income/(loss) for the year, net of tax		368	(90)
Total comprehensive income/(loss) for the year		(441,963)	(738,871)
Earnings/(loss) per equity share of ₹ 10 each:	56		
Basic (₹)		(15.40)	(27.26)
Diluted (₹)		(15.40)	(27.26)

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

For and on behalf of the Board of Directors of **Vodafone Idea Limited**

Nilangshu Katriar

Partner

Membership No.: 58814

Place: Mumbai

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Ravinder Takkar

Managing Director & Chief Executive Officer

(DIN : 01719511)

Place: Gurugram

Akshaya Moondra

Chief Financial Officer

Place: Mumbai

Pankaj Kapdeo

Company Secretary

Place: Mumbai

Date : June 30, 2021

CONSOLIDATED 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 (₹ Mn)
As at April 1, 2019	8,735,558,329	87,356
Allotment of equity shares under Rights Issue (refer note 43(i))	19,999,830,911	199,998
As at March 31, 2020	28,735,389,240	287,354
Issue of Share capital	-	-
As at March 31, 2021	28,735,389,240	287,354

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

Particulars	Reserves and surplus							Total
	Capital reserve note 23(i)	Capital reduction reserve (refer note 23(ii))	Debt redemption reserve (refer note 23(iii))	Securities premium adjustment note 23(iv)	Amalgamation account (refer note 23(v))	General reserve (refer note 23(vii))	Retained earnings (refer note 23(viii))	
As at April 1, 2019	(88,324)	277,787	4,408	1,035,532	(488,408)	1,562	(234,234)	669
Transition impact of Ind AS 116 (refer note 47)	-	-	-	-	-	-	(44,649)	-
Group's share of transition impact of Ind AS 116 by joint venture (Indus)	-	-	-	-	-	-	(1,740)	-
Restated balance as at April 1, 2019	(88,324)	277,787	4,408	1,035,532	(488,408)	1,562	(280,623)	669
Profit/(Loss) for the year ended March 31, 2020	-	-	-	-	-	-	(738,781)	-
Other comprehensive income/(loss) for the year ended March 31, 2020	-	-	-	-	-	-	(90)	-
Total comprehensive income/(loss)	-	-	-	-	-	-	(738,871)	-
Settlement assets (refer note 43(viii))	(136)	-	-	-	-	-	-	(136)
Pursuant to merger of Idea Telesystems Limited (ITL) with the Company (refer note 43(iv))	-	-	-	-	(36)	-	-	(36)
Allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn) (refer note 43(i))	-	-	-	49,166	-	-	-	49,166
Share-based payment expenses (refer note 52) ⁽ⁱ⁾	-	-	-	-	-	-	-	(13)
Group's share of additional depreciation in joint venture (Indus) on fair valued assets/ physical verification adjustments pursuant to scheme	-	-	-	-	-	-	(268)	-
As at March 31, 2020	(88,460)	277,787	4,408	1,084,698	(488,444)	1,562	(1,019,762)	656
Profit/(Loss) for the year ended March 31, 2021	-	-	-	-	-	-	(442,331)	-
Other comprehensive income/(loss) for the year ended March 31, 2021	-	-	-	-	-	-	368	-
Total comprehensive income/(loss)	-	-	-	-	-	-	(441,963)	-
Share-based payment expenses (refer note 52)	-	-	-	-	-	-	295	(295)
Group's share of additional depreciation in joint venture (Indus) on fair valued assets/physical verification adjustments pursuant to scheme	-	-	-	-	-	-	(116)	-
As at March 31, 2021	(88,460)	277,787	4,408	1,084,698	(488,444)	1,562	(1,461,546)	361

⁽ⁱ⁾ The charge for the year is net of reversal on account of cancellation of unvested options.

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

For and on behalf of the Board of Directors of **Vodafone Idea Limited**

Nilangshu Katriar
Partner
Membership No.: 58814
Place: Mumbai

Himanshu Kapania
Director
(DIN : 03387441)
Place: Mumbai

Ravinder Takkar
Managing Director & Chief Executive Officer
(DIN : 01719511)
Place: Gurugram

Akshaya Moondra
Chief Financial Officer
Place: Mumbai

Pankaj Kapdeo
Company Secretary
Place: Mumbai

STATEMENT OF CONSOLIDATED CASH FLOWS

for the year ended March 31, 2021

₹ Mn

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
OPERATING ACTIVITIES		
Loss before tax	(442,534)	(617,970)
Adjustments to reconcile loss before tax to net cash flows		
Share in profit of joint ventures and associate (net)	(2,314)	(3,553)
Depreciation of property, plant and equipment (including RoU Assets) and investment property	145,013	152,080
Amortisation of intangible assets	91,372	91,484
Share-based payment expense (ESOS)	35	(102)
Loss on disposal of property, plant and equipment and intangible assets (net)	5	26
Gain on sale of stake in Indus (refer note 42)	(21,189)	-
Impact due to cancellation of lease contract on network re-alignment (refer note 42)	(1,696)	(2,172)
Accelerated depreciation on account of network re-alignment/re-farming (refer note 42)	5,745	59,743
License fees and SUC on AGR (refer note 42)	194,405	275,143
One Time Spectrum Charges (refer note 42)	5,027	38,871
Impairment of investment in associates (refer note 42)	-	1,596
Impairment of Brand (refer note 42)	7,246	-
Finance costs (including fair value change in financial instruments)	179,981	153,920
Provision for gratuity and compensated absences	89	(285)
Bad debts / advances written off	3,873	5,332
Allowance for doubtful debts / advances	(437)	(1,960)
Liabilities / provisions no longer required written back	(46)	(229)
Other income	(1,636)	(10,258)
Working capital adjustments		
Decrease/(Increase) in trade receivables	3,136	(807)
Decrease in inventories	19	17
(Increase) in other financial and non-financial assets	(6,836)	(28,067)
Increase/(Decrease) in trade payables	5,522	(10,974)
(Decrease) in other financial and non-financial liabilities	(16,286)	(52,624)
Cash flows from operating activities	148,494	49,211
Income tax refund (including TDS) (net)	7,903	24,064
Net cash flows from operating activities	156,397	73,275

STATEMENT OF CONSOLIDATED CASH FLOWS

for the year ended March 31, 2021

₹ Mn

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(47,097)	(79,662)
Payment towards Spectrum and Licenses - Upfront payment	(5,747)	-
Payment towards deferred spectrum liability	-	(3,978)
Proceeds from sale of property, plant and equipment and intangible assets	1,782	1,651
Proceeds from sale of stake in Indus (Joint Venture) (net of expenses related to sale of ₹ 170 Mn) (refer note 43(iii))	37,472	-
Net sale of current investments	4,952	65,423
Interest received	1,797	5,172
Fixed deposits with banks having maturity of 3 to 12 months	16,477	(16,504)
Dividend received from joint venture (Indus)	1,115	-
Net cash flows from/(used in) investing activities	10,751	(27,898)
Financing activities		
Proceeds from allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn)	-	249,164
Payment of interest and finance charges ⁽¹⁾	(28,256)	(152,585)
Repayment of long term borrowings	(43,220)	(40,517)
Proceeds from short term borrowings	-	33,916
Repayment of short term borrowings	(283)	(74,225)
Payment of lease liabilities (refer note 47)	(95,555)	(65,940)
Net cash flows (used in) financing activities	(167,314)	(50,187)
Net (decrease) in cash and cash equivalents during the year	(166)	(4,810)
Cash and cash equivalents at the beginning of the year	3,669	7,558
Add: Cash and cash equivalents of VMPL	-	921
Cash and cash equivalents at the end of the year	3,503	3,669

⁽¹⁾ includes interest payment on deferred payment liabilities forming part of long term borrowings

1. Cash and Cash Equivalents include the following Balance Sheet amounts

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash on hand	30	34
Cheques on hand	181	31
Balances with banks		
In current accounts	2,770	2,696
In deposit accounts	522	947
	3,503	3,708
Less: Bank overdraft which forms an integral part of cash management (refer note 28)	-	(39)
	3,503	3,669

STATEMENT OF CONSOLIDATED CASH FLOWS

for the year ended March 31, 2021

₹ Mn

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

Particulars	Loans from banks and others including current maturities	Deferred payment obligations including current maturities	Changes in derivative liabilities (net)	Interest accrued but not due	Lease liabilities
Balance as at April 1, 2019	349,935	908,594	572	64,143	-
Transition impact of Ind AS 116	-	-	-	-	284,335
Restated balance as at April 1, 2019	349,935	908,594	572	64,143	284,335
(i) Cash flow Items					
Net proceed/(repayment) of borrowings	(79,573)	(1,253)	-	-	-
Payment of Interest and finance charges	-	(104,555)	(55)	(47,975)	-
Payment towards deferred spectrum liability	-	(3,978)	-	-	-
Payment of lease liabilities (refer note 47)	-	-	-	-	(65,940)
(ii) Non - cash items					
Foreign exchange (gain)/loss	2,341	-	-	(2,341)	-
Finance cost accrued (charged to profit and loss)	-	-	(1,339)	129,107	26,152
Upfront fees amortisation	206	-	-	(206)	-
Interest on asset retirement obligation	-	-	-	(27)	-
Interest related to vendors and other liabilities	-	-	-	(3,421)	-
Accrued interest on deferred payment liability for spectrum and others transferred to borrowing on anniversary date	-	78,199	-	(78,199)	-
Addition of lease liabilities (refer note 47)	-	-	-	-	33,218
Deletion of lease liabilities (refer note 47)	-	-	-	-	(8,973)
As at March 31, 2020	272,909	877,007	(822)	61,081	268,792
(i) Cash flow Items					
Net proceed/(repayment) of borrowings	(43,007)	(496)	-	-	-
Payment of Interest and finance charges	-	-	(7)	(28,249)	-
Payment of lease liabilities (refer note 47)	-	-	-	-	(95,555)
(ii) Non - cash items					
Foreign exchange (gain)/loss	(687)	-	-	687	-
Finance cost accrued (charged to profit and loss)	-	-	1,269	157,906	20,806
Upfront fees amortisation	69	-	-	(69)	-
Interest on asset retirement obligation	-	-	-	(9)	-
Interest related to vendors and other liabilities	-	-	-	(39,690)	-
Accrued interest on deferred payment liability for spectrum and others transferred to borrowing on anniversary date	-	86,274	-	(86,274)	-
Accrued interest on loans from banks and others transferred to borrowing	1,431	-	-	(1,431)	-
Reclassification of Deferred Payment obligation pursuant to AGR judgment (refer note 3)	-	609,603	-	-	-
Addition of lease liabilities (refer note 47)	-	-	-	-	32,272
Deletion of lease liabilities (refer note 47)	-	-	-	-	(12,216)
As at March 31, 2021	230,715	1,572,388	440	63,952	214,099

3. 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

For and on behalf of the Board of Directors of **Vodafone Idea Limited**

Nilangshu Katriar
Partner
Membership No.: 58814
Place: Mumbai

Himanshu Kapania
Director
(DIN : 03387441)
Place: Mumbai

Ravinder Takkar
Managing Director & Chief Executive Officer
(DIN : 01719511)
Place: Gurugram

Akshaya Moondra
Chief Financial Officer
Place: Mumbai

Pankaj Kapdeo
Company Secretary
Place: Mumbai

Date : June 30, 2021

NOTES

forming part of the Financial Statements

1. CORPORATE INFORMATION

Vodafone Idea Limited ('the Company'), a public limited company, was incorporated under the provisions of the Companies Act applicable in India on March 14, 1995. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (Scrip Code; NSE: IDEA, BSE: 532822). The registered office of the Company is situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar – 382011, Gujarat. The Company is one of the leading telecom service providers in India. The Company and its subsidiaries ("the Group") is engaged in the business of Mobility and Long Distance services, trading of handsets and data cards.

These consolidated financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 30, 2021.

2.(A) STATEMENT OF COMPLIANCE

These consolidated financial statements of the Company, its subsidiaries (the "Group"), joint ventures and associate comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Statement of Consolidated Cash Flows together with the consolidated 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.

2.(B) BASIS OF PREPARATION AND CONSOLIDATION

These consolidated 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.

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

The financial statements of the following entities in the Group are prepared using uniform accounting policies and are drawn up to the same accounting period as that of the Company.

The consolidated 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.

The consolidated financial statements have been consolidated in accordance with Ind AS 110, 'Consolidated Financial Statements'.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee and
- Has the ability to affect those returns through its power to direct the relevant activities of the investee.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than majority of voting or similar rights over an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Rights arising from other contractual arrangements
- Potential voting rights held by the Group

The consolidated financial statements of the group are prepared based on a line by line consolidation of the separate financial statements of the Company and its subsidiaries whereby the book values of like items of assets, liabilities, income, expenses and tax have been added after eliminating intra-group balances, transactions and resulting unrealised gains or losses.

Subsidiaries are consolidated from the date on which control is acquired by the group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet, respectively.

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			March 31, 2021	March 31, 2020
1	Vodafone Idea Manpower Services Limited (Formerly known as Idea Cellular Services Limited ('VIMSL'))	Subsidiary	100.00	100.00
2	Vodafone Idea Telecom Infrastructure Limited (Formerly known as Vodafone Towers Limited ('VITIL'))	Subsidiary	100.00	100.00
3	Vodafone Idea Business Services Limited (Formerly known as Vodafone Business Services Limited ('VIBSL'))	Subsidiary	100.00	100.00
4	Vodafone Idea Communication Systems Limited (Formerly known as Mobile Commerce Solutions Limited ('VICSL'))	Subsidiary	100.00	100.00
5	Vodafone Foundation ('VF') (Registered under section 8 of Companies Act, 2013)	Subsidiary	100.00	100.00

NOTES

forming part of the Financial Statements

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			March 31, 2021	March 31, 2020
6	Connect (India) Mobile Technologies Private Limited ('CIMTPL')	Subsidiary	100.00	100.00
7	Vodafone m-pesa Limited ('VMPL')	Subsidiary	100.00	100.00
8	Vodafone Idea Technology Solutions Limited (Formerly known as Vodafone Technology Solutions Limited ('VITSL'))	Subsidiary	100.00	100.00
9	Vodafone Idea Shared Services Limited (Formerly known as Vodafone India Ventures Limited ('VISSL'))	Subsidiary	100.00	100.00
10	You Broadband India Limited ('YBIL')	Subsidiary	100.00	100.00
11	You System Integration Private Limited ('YSIPL') ⁽¹⁾	Subsidiary	-	100.00

⁽¹⁾ Merged with YBIL effective from March 15, 2021 (refer note 43(vi))

The Financial Statements of the following associate and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Group and the accounting policies have been changed where necessary to ensure consistency with the policies adopted by the group. All the entities are incorporated in India.

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			March 31, 2021	March 31, 2020
1	Indus Tower Limited (Indus)	Joint Venture ^{(1)&(3)}	-	11.15
2	Aditya Birla Idea Payments Bank Limited (ABIPBL) ⁽²⁾	Associate	49.00	49.00
3	Firefly Networks Limited	Joint Venture ⁽¹⁾	50.00	50.00

⁽¹⁾ by virtue of joint venture agreement

⁽²⁾ ABIPBL has decided to wind up its business voluntarily (voluntary winding up) on July 19, 2019 subject to requisite regulatory approvals and consent. The Company is currently under liquidation (refer note 43(ii)).

⁽³⁾ The Company has sold its stake in Indus on November 19, 2020 (refer note 43(iii))

2.(C) CHANGES IN OWNERSHIP INTERESTS

- Subsidiaries

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

The subsidiaries are deconsolidated from the date the Group loses control on such subsidiaries. When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are reclassified to profit and loss on disposal of the related assets and liabilities.

- Associates and Joint Arrangements

The Group ceases to equity account for an investment if it loses joint control or significant influence over such equity accounted investee. When the group ceases to equity account for an investee, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest in the investee. In addition, any amounts previously recognised in other comprehensive income in respect of that investee are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit and loss where appropriate.

3. The Hon'ble Supreme Court on October 24, 2019 along with supplementary order dated July 20, 2019 and final order dated September 1, 2020 delivered its judgment (together

NOTES

forming part of the Financial Statements

referred to as "AGR Judgment") on the cross appeals against the Hon'ble TDSAT judgment dated April 23, 2015, relating to the definition of Adjusted Gross Revenue. The order upheld the principal demand, levy of interest, penalty and interest on penalty.

Pursuant to the AGR judgment, the Group had recognized a total estimated liability (AGR dues) of ₹ 460,000 Mn as at March 31, 2020. This was based on the Department of Telecommunications (DoT) demands (mainly up to the period FY 2016-17 and some beyond) after adjustment for certain computational errors and payments made in the past not considered in DoT demands and estimates made by the Group for the periods thereafter for which demands had not been received together with interest, penalty and interest on penalty up to March 31, 2020.

On July 20, 2020, the Hon'ble Supreme Court, after hearing all parties, observed that the amount to be recovered (preliminary assessed) given by DoT in its modification application are taken to be as final amount and there can be no dispute raised about it. Consequent to the above, without prejudice and on prudence, the Group had recognized an additional charge of ₹ 194,405 Mn (including interest on the amount of liability recognised considering the rate as per the affidavit filed by DoT on March 16, 2020, with effect from the date of AGR Judgement) as exceptional items. The Company has also paid a further ₹ 10,000 Mn during the year and accordingly, the total payment as at March 31, 2021 towards the dues following this AGR Judgment stands at ₹ 78,544 Mn.

Subsequent to the same, on September 1, 2020, vide its judgment, the Hon'ble Supreme Court has inter-alia directed that for the demand raised by the DoT in respect of the AGR dues based on the judgment of this Court, there shall not be any dispute raised by any of the Telecom Operators and that there shall not be any reassessment; the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021 and thereafter, Telecom Operators to make payment in yearly instalments commencing from April 1, 2021 to March 31, 2031 payable by 31st March of every succeeding financial year. As the cumulative amount paid by the Company of ₹ 78,544 Mn exceeded 10% of the total liability, which the Group believes is as demanded by DoT for the period up to the date of judgment, the next instalment would be payable only by March 31, 2022.

The Company has informed the DoT that it has paid more than 10% of the total dues and has complied with Hon'ble Supreme Court order. The company has also filed an affidavit with Hon'ble Supreme Court including the compliance letter that was filed with DoT confirming payment of 10% of the total dues along with an undertaking to pay the arrears as per the Court judgement.

Further, on January 7, 2021, the Company has filed a modification application with the Hon'ble Supreme Court requesting them to allow DoT to correct manifest/clerical/arithmetic errors in the computation of AGR demands and carry out the corrections in accordance with law within

a reasonable period of time. The matter is yet to be heard. Meanwhile DoT issued additional demands towards license fees and Spectrum usage charges for which the company has written to them requesting corrections of certain error in Spectrum rates, computational errors, admissible pass-through not considered based on the principles laid down in the AGR judgement. Pending response on the same, the Group has disclosed the excess of such demands over the provision considered as Contingent Liabilities. During the year, the Group has recognised interest expense amounting to ₹ 33,763 Mn in addition to ₹ 194,405 Mn as mentioned above. The Group has split the total liability as at March 31, 2021 amounting to ₹ 609,603 Mn (net of payment of ₹ 78,544 Mn) into other current financial liabilities of ₹ 42,081 Mn and deferred payment obligation under long term borrowings of ₹ 567,522 Mn in line with the principles of the AGR judgment.

4. The Group has incurred losses of ₹ 442,331 Mn for the year ended March 31, 2021 and the networth is negative ₹ 382,280 Mn. As at March 31, 2021, the total debt (including interest accrued but not due and AGR liability) of the Group stands at ₹ 1,867,055 Mn. The Group has classified ₹ 85,472 Mn (net of waiver received) from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at March 31, 2021. Further, as a result of the rating downgrade, certain lenders had asked for increase of interest rates and additional margin money/security against existing facilities. The Group has exchanged correspondences and continues to be in discussion with the lenders for the next steps/waivers. The existing debt (excluding deferred spectrum obligation of ₹ 20,941 Mn for which additional Bank Guarantees of ₹ 9,757 Mn is to be given to avail additional 1 year moratorium) of ₹ 80,454 Mn and the next instalment of the AGR Judgement matter (as mentioned in Note 3 above) are payable by March 31, 2022. Guarantees amounting to ₹ 70,399 Mn are due to expire during the next twelve months. The Group has also written to DoT for deferment of the spectrum payment instalment of ₹ 82,117 Mn payable as at April 9, 2022.

The Board of Directors of the Company, at its meeting held on September 4, 2020 had approved the fund-raising plan of up to ₹ 250,000 Mn.

There exists material uncertainty relating to the Group's ability to continue as a going concern which is dependent on its ability to raise additional funds as required, successful negotiations with lenders on continued support, refinancing of debts, monetisation of certain assets, outcome of the modification application filed with the Hon'ble Supreme Court and clarity of the next instalment amount, acceptance of its deferment request by DoT and generation of cash flow from operations that it needs to settle / renew its liabilities/guarantees as they fall due. As of date, the Group has met all its debt obligations. Pending the outcome of the above matters, these consolidated financial statements have been prepared on a going concern basis.

NOTES

forming part of the Financial Statements

5. 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 Group on their own account. Accordingly, it is excluded from revenue. The Group 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 the entity's goods or services from the customer). The Group accounts for consideration payable to a customer as a reduction from the transaction price unless the payment to the customer is in exchange for a distinct goods or services that the customer transfers to the entity.

i) Revenue from supply of services and sale of goods

Revenue on account of telephony services (post-paid and prepaid categories, roaming, interconnect and long distance services) is recognised on rendering of services. Fixed Revenues in the post-paid category are recognised over the period of rendering of services. Processing fees on recharge vouchers in case of prepaid category is recognised over the validity of such vouchers.

Revenue from other services (internet services, mobile advertisement, revenue from toll free services, etc.) is recognised on rendering of services. Revenue from sale of handsets, data cards and related accessories is recognised when control of the asset is transferred to the customer, generally on delivery of the equipment. Revenue from passive infrastructure is recognised on rendering of services.

If the consideration in a contract includes a variable amount, the Group 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.

Multiple element contracts:

Bundle packages that include multiple elements, at the inception of the arrangement, the Group determines whether it is necessary to separate the separately identifiable elements and apply the corresponding revenue recognition policy to each elements. Total package revenue is allocated among the identified elements based on their relative standalone price.

ii) Unbilled income

Unbilled income is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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 Group'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 5(r) 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 goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or 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 Group fulfils its performance obligations under the contract.

v) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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.

vi) Dividends

Dividend income is recognised when the Group's right to receive the payment is established.

vii) Cost to obtain a contract

The Group pays sales commission to its channel partners for each contract that they obtain. Such costs are deferred over the average expected customer life-cycle provided the estimated

NOTES

forming part of the Financial Statements

average customer life-cycle is higher than twelve months. The Company re-estimates the average customer life cycle on a periodic basis.

b) Leases

The Group 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 passive infrastructure for cell sites and immovable properties.

i) Right-of-use assets

The Group 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 Group 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 5 (m)).

ii) Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 of lease liability is done by discounting the revised lease payments using the Group's incremental borrowing rate at the effective date of modification.

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

The Group 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.

Group as a lessor

Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

The Group enters into agreements which entitle its customers the right to use of specified capacity of dark fibre / bandwidth capacity for a specific period of time. Under such arrangements, the rights to use the specified assets are given for a substantial part of the estimated useful life of such assets. The contracted price received upfront in advance is treated as deferred revenue and is recognised on a straight line basis over the agreement period.

NOTES

forming part of the Financial Statements

c) Employee benefits

i. Defined Contribution Plan

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

Contributions to Superannuation are funded with the Life Insurance Corporation of India and charged to the Consolidated Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

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

ii. Defined Benefit Plan

The Group has a defined benefit gratuity plan which is a combination of funded plan and unfunded plan. In case of funded plan, the Group makes contribution to a separately administered fund with the Insurance companies. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimation of the payments. Any deficit in plan assets managed by Insurance companies as compared to the liability based on an independent actuarial valuation is recognised as a liability. 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 and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated 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 Consolidated 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 Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated 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 actuarial valuation done by projected accrued benefit method at the reporting date. The related re-measurements are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

iv. Share- based payments

Equity-settled share-based payments to employees for options granted by the Group to its employees are measured at the fair value of the equity instruments at the grant date.

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

The fair value determined at the grant date of the equity settled share-based payments is expensed over the period in which the performance or service conditions are fulfilled, based on the Group's estimate of stock options that will eventually vest, with a corresponding increase in equity. The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Group 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 Consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve or liability as applicable.

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 Consolidated Statement of Profit and Loss. In respect of cancellation/ expiration of vested stock options, the amount already charged as share based payment expense is adjusted against Retained earnings in Other Equity.

In respect of modification such as re-pricing of existing stock option, the difference in fair value of the option on the date of re-pricing is accounted for as share based payment expense over the remaining vesting period.

NOTES

forming part of the Financial Statements

d) Annual Revenue Share License Fees and Spectrum Usage Charges

The variable license fees and annual spectrum usage charges, computed basis of adjusted gross revenue, are charged to the Consolidated Statement of Profit and Loss in the period in which the related revenue arises as per the license agreement of the licensed service area at prescribed rate.

e) Foreign currency transactions

The Group's financial statements are presented in Indian Rupees (INR) which is also the Group'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 Consolidated 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.

f) Exceptional items

Items of income or expense which are non-recurring or outside of the ordinary course of business and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group are disclosed as exceptional items in the Consolidated Statement of Profit and Loss.

g) 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 consolidated 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.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the differences will not reverse in the foreseeable future.

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.

h) Current / Non – Current Classification

An asset is classified as current when

- It is expected to be realized or consumed in the respective company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

NOTES

forming part of the Financial Statements

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.

i) 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 Group 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 Group and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land is not depreciated. Depreciation on all other assets under PPE 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.

Asset Retirement Obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate

of the amount can be made. ARO is measured based on present value of expected cost to settle the obligation.

Particulars	Estimated useful life (in years)
Buildings	25 to 30
Leasehold Improvements	Period of lease or 10 years whichever is lower
Network Equipments	7 to 9
Optical Fibre	15
Other Plant and Equipment	2 to 5
Office Equipments	3 to 5
Computers and servers	3 to 5
Furniture and Fixtures	5 to 10
Motor Vehicles	2 to 5
RoU Assets	
- Land & Building	Over the period of Lease
- Cell Sites	Over the period of Lease
- Bandwidth (IRU)	Over the period of agreement
- Others	3 to 5

An item of property, plant and equipment and any significant part which meets the criteria for asset held for sale will be reclassified from property, plant and equipment to asset held for sale. 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 Consolidated statement of profit and loss on the date of retirement or disposal.

j) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are measured initially at their cost including transaction cost. Investment properties are subsequently measured at historical cost less accumulated depreciation and impairment loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future

NOTES

forming part of the Financial Statements

economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit and loss in the period of derecognition.

Depreciation is charged so as to write off the cost of investment properties using the straight-line method, over the leasehold period or estimated useful lives, whichever is lower.

k) 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. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Consolidated statement of profit and loss in the period in which the expenditure is incurred.

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 Consolidated 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:

- Cost of spectrum is amortised on straight line method from the date when the related network is ready for intended use over the unexpired period of the spectrum.
- Cost of licenses is amortised on straight line method from the date of launch of circle/ renewal of license over the unexpired period of the license.
- 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 between 3 to 5 years.
- Bandwidth capacities acquired under Indefeasible Right to Use (IRU) basis is accounted for as intangible assets and amortised over the period

of the agreement till March 31, 2019. From April 1, 2019 these assets are reclassified to RoU assets on adoption of Ind AS 116.

- Brand - Separately acquired brand is shown at historical cost. Subsequently brand is carried at cost less accumulated amortisation and impairment loss, if any. The Group amortises brand using the straight line method over the estimated useful life of 10 years (March 31, 2020: 15 years).

Cost of Intangible assets under development represents cost of intangible assets not ready for intended use as on the reporting date. It includes the amount of spectrum allotted to the Group and related borrowing costs (that are directly attributable to the acquisition or construction of qualifying assets) if any, for which network is not yet ready.

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 Consolidated Statement of Profit and Loss when the asset is derecognised.

l) Non – Current Assets Held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and its sale is highly probable. The sale is considered highly probable only when the asset or disposal groups is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and the sale is expected to be completed within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Consolidated Balance Sheet.

Non-current assets that ceases to be classified as held for sale are measured at lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

m) Impairment of Non – Financial Assets

Tangible (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

NOTES

forming part of the Financial Statements

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 Group 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 Consolidated Statement of Profit and Loss by reducing the carrying amount of the asset (or cash-generating unit) to its recoverable amount.

For assets excluding goodwill, 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 Group 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 Consolidated statement of profit and loss.

n) Investment in Associates and Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates are all entities over which the group has significant influence but not control or joint control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee.

Investments in joint ventures and associates are initially recognised at cost and subsequently accounted for using the equity method of accounting in the consolidated financial statements of the group as

per Ind AS 28 – Investments in Associates and Joint ventures.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investee equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investee. If the equity-accounted investee subsequently reports profits, the Group resumes recognising its share of those profits only after its share of profits equals the share of losses not recognised.

Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The entire carrying amount of the investment (including goodwill) is tested for impairment if there is objective evidence indicating impairment. Impairment is tested in accordance with Ind AS 36 – Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount. Any reversal of the impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

o) Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the finance costs.

NOTES

forming part of the Financial Statements

p) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

q) Cash and cash equivalents

Cash and cash equivalents in the Consolidated 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. For the purpose of the statement of consolidated cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

r) Financial Instruments

Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the Group 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 Consolidated 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:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through profit or loss (FVTPL)

- Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Group does not have any assets classified as FVTOCI.

I. 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 Consolidated statement of profit and loss. The losses arising from impairment are recognised in the Consolidated statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

II. Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated statement of profit and loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

NOTES

forming part of the Financial Statements

- the Group 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 Group 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 Group 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 Group 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 Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables (including lease receivables). The application of simplified approach does not require the Group 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.

For the purpose of measuring the expected credit loss for trade receivables, the Group 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 15.

ii. Financial liabilities

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

a. 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 Consolidated 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 Consolidated statement of profit and loss.

b. Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or 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 Consolidated Statement of Profit and Loss.

iii. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to manage its foreign currency risks and interest rate risks, respectively. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency and interest exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair

NOTES

forming part of the Financial Statements

value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative instrument. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

iv. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated 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.

s) 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 Group 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 consolidated 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 consolidated financial statements on a recurring basis, the Group 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.

t) Dividend distribution to equity holders

Dividends paid / payable along with applicable taxes are recognised when it is approved by the shareholders. In case of interim dividend, it is recognised when it is approved by the Board of Directors and distribution is no longer at the discretion of the Company. A corresponding amount is accordingly recognised directly in equity.

u) Earnings per share

The earnings considered in ascertaining the Group's Earnings per share (EPS) is the net profit/ (loss) 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.

v) Onerous Contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate

NOTES

forming part of the Financial Statements

provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

w) Provisions and Contingent Liabilities

Provisions are recognised when the Group 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 Consolidated 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.

i. Asset Retirement Obligation (ARO)

ARO is provided for those lease arrangements where the Group has a binding obligation to restore the said location / premises at the end of the period in a condition similar to inception of the arrangement. The restoration and decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Consolidated statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

ii. 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.

x) Business Combinations

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Acquisition related costs are recognized in the Consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and

contingent liabilities that meet the conditions for recognition are recognized at their respective fair value at the acquisition date, except certain assets and liabilities required to be measured as per applicable standards.

Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration, after reassessment of fair value of net assets acquired, is recognised as capital reserve.

Business Combinations arising from transfer of interests in entities that are under common control and entities which results in formation of joint ventures, where one of the combining entities does not obtain control of the other combining entity or entities, accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

y) Recent pronouncements

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

6. 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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

NOTES

forming part of the Financial Statements

Estimates and Assumptions

i. Taxes

The respective companies 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 respective companies 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 respective companies 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 Consolidated Statement of Profit and Loss and is included in Deferred Tax Assets. The respective companies review 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 respective companies will be able to absorb such credit during the specified period. Further details about taxes refer note 54 and 55.

ii. Defined benefit plans (gratuity and compensated absences benefits)

The Group's obligation on account of gratuity and compensated absences 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 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 are based on expected future inflation rates.

Further details about gratuity obligations are given in note 53(A).

iii. Allowance for Trade receivable

For the purpose of measuring the expected credit loss for trade receivables, the Group 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 15.

iv. Useful life of Property, Plant and Equipment

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 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 are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in note 7.

v. Leases - Estimating the incremental borrowing rate

The Group 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 Group 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 Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain specific estimates such as Group's credit rating.

vi. 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

NOTES

forming part of the Financial Statements

it is reasonably certain that any options to extend or terminate the contract will be exercised.

vii. 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. Refer note 45 for further details about Contingent liabilities.

viii. 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 Ministry of Home Affairs vide order No.40-3/2020 dated March 24, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout have been somewhat adversely impacted, the services to our customers continued without any material disruption. As on the date of these financial statements, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).

NOTES

forming part of the Financial Statements

NOTE 7 : PROPERTY, PLANT AND EQUIPMENT (INCLUDING ROU ASSETS)

₹ Mn

Particulars	Freehold land	Leasehold Land	Buildings	Leasehold Improvement	Plant and machinery ⁽³⁾	Furniture and fixtures	Office equipments	Vehicles	RoU Assets (refer note 47)	Total
Cost										
As at April 1, 2019	185	604	5,086	1,286	890,266	1,776	2,426	1,622	-	903,251
Transition impact of Ind AS 116	-	-	-	-	-	-	-	-	221,413	221,413
Reclassification on adoption of Ind AS 116	-	(604)	-	-	(19,115)	-	-	-	45,457	25,738
Restated balance as at April 1, 2019	185	-	5,086	1,286	871,151	1,776	2,426	1,622	266,870	1,150,402
Additions	4	-	64	7	106,328	20	36	3	33,498	139,960
Disposals/Adjustments	-	-	(29)	(13)	(30,346)	(79)	(144)	(237)	(12,062)	(42,910)
Transferred from AHFS	-	-	-	-	637	-	-	-	-	637
As at March 31, 2020	189	-	5,121	1,280	947,770	1,717	2,318	1,388	288,306	1,248,089
Additions	-	-	-	1	39,906	77	71	1	32,339	72,395
Disposals/Adjustments	-	-	(1)	(402)	(31,764)	(398)	(339)	(375)	(18,741)	(52,020)
As at March 31, 2021	189	-	5,120	879	955,912	1,396	2,050	1,014	301,904	1,268,464
Accumulated Depreciation										
As at April 1, 2019	-	31	542	945	395,262	1,270	1,743	932	-	400,725
Reclassification on adoption of Ind AS 116	-	(31)	-	-	(14,540)	-	-	-	20,943	6,372
Restated balance as at April 1, 2019	-	-	542	945	380,722	1,270	1,743	932	20,943	407,097
Depreciation charge for the year	-	-	200	69	86,715	224	310	238	64,312	152,068
Disposals/Adjustments ⁽²⁾	-	-	(13)	(4)	26,544	(51)	(63)	(155)	(688)	25,570
Transferred from AHFS	-	-	-	-	241	-	-	-	-	241
As at March 31, 2020	-	-	729	1,010	494,222	1,443	1,990	1,015	84,567	584,976
Depreciation charge for the year	-	-	197	53	82,350	174	208	162	61,862	1,45,006
Disposals/Adjustments ⁽²⁾	-	-	-*	(332)	(23,879)	(371)	(320)	(309)	(12,011)	(37,222)
As at March 31, 2021	-	-	926	731	552,693	1,246	1,878	868	134,418	692,760
Net Book Value										
As at March 31, 2021	189	-	4,194	148	403,219	150	172	146	167,486	575,704
As at March 31, 2020	189	-	4,392	270	453,548	274	328	373	203,739	663,113

Footnotes:

1. Refer note 24(C) for assets pledged as securities towards borrowings and non-fund based facilities.
2. Disposals/Adjustments include accelerated depreciation charge of ₹ 5,745 Mn (March 31, 2020 : ₹ 59,743 Mn) on account of network re-alignment and integration cost and disclosed under exceptional items (refer note 42).
3. Plant & Machinery and CWIP includes certain assets acquired on extended credit terms for which the title will be transferred to the company upon final payment to the equipment suppliers as per the contract terms. Gross Block, Net Block and CWIP of such assets as on March 31, 2021 is ₹ 49,982 Mn, ₹ 39,805 Mn and ₹ 314 Mn (March 31, 2020 : ₹ 44,597 Mn, ₹ 41,650 Mn and ₹ 2,603 Mn) respectively.
4. Capital work-in-progress as on March 31, 2021 is ₹ 5,996 Mn (March 31, 2020: ₹ 10,415 Mn).

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

NOTES

forming part of the Financial Statements

NOTE 8 : INVESTMENT PROPERTY

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Leasehold Land		
Cost		
Opening balance	720	720
Asset classified as held for sale (refer note 21)	(720)	-
Closing balance	-	720
Accumulated depreciation		
Opening Balance	60	48
Depreciation charge for the year	7	12
Asset classified as held for sale (refer note 21)	(67)	-
Closing balance	-	60
Net book value	-	660

NOTE 9 : INTANGIBLE ASSETS

Particulars	₹ Mn				
	Entry/license fees and spectrum	Brand	Computer - Software	Bandwidth	Total
Cost					
As at April 1, 2019	1,462,296	26,222	18,965	24,958	1,532,441
Reclassification on adoption of Ind AS 116	-	-	-	(24,958)	(24,958)
Restated balance as at April 1, 2019	1,462,296	26,222	18,965	-	1,507,483
Additions ⁽⁶⁾	66,599	-	2,181	-	68,780
Disposals/Adjustments	(100)	-	(15)	-	(115)
Transferred from AHFS	-	-	177	-	177
As at March 31, 2020	1,528,795	26,222	21,308	-	1,576,325
Additions	-	3	3,224	-	3,227
Disposals/Adjustments	-	-	(30)	-	(30)
As at March 31, 2021	1,528,795	26,225	24,502	-	1,579,522
Accumulated Amortisation					
As at April 1, 2019	237,155	1,372	12,775	6,372	257,674
Reclassification on adoption of Ind AS 116	-	-	-	(6,372)	(6,372)
Restated balance as at April 1, 2019	237,155	1,372	12,775	-	251,302
Amortisation charge for the year	86,030	1,822	3,632	-	91,484
Disposals/Adjustments ⁽⁶⁾	38,771	-	7	-	38,778
Transferred from AHFS	-	-	169	-	169
As at March 31, 2020	361,956	3,194	16,583	-	381,733
Amortisation charge for the year	86,259	1,860	3,253	-	91,372
Disposals/Adjustments	-	-	(29)	-	(29)
Impairment (refer note 43(x))	-	7,246	-	-	7,246
As at March 31, 2021	448,215	12,300	19,807	-	480,322
Net Book Value					
As at March 31, 2021	1,080,580	13,925	4,695	-	1,099,200
As at March 31, 2020	1,166,839	23,028	4,725	-	1,194,592

NOTES

forming part of the Financial Statements

Footnotes:

- Computer - software includes gross block of assets capitalised under finance lease ₹ 5,489 Mn (March 31, 2020: ₹ 5,507 Mn) and corresponding accumulated amortisation being ₹ 5,433 Mn (March 31, 2020 : ₹ 5,105 Mn).
- Entry/license fee and spectrum gross block ₹ 46,583 Mn and Net block ₹ 18,517 Mn range from 0.4 years to 6.4 years and Entry/license fee and spectrum gross block ₹ 1,482,212 Mn and Net block ₹ 1,062,063 Mn range from 9 years to 17.3 years (March 31, 2020 : gross block ₹ 46,583 Mn and Net block ₹ 28,545 Mn range from 1.4 years to 7.4 years and Entry / license fee and spectrum gross block ₹ 1,482,212 Mn and Net block ₹ 1,138,294 Mn range from 10 years to 18.3 years).
- Refer note 24(C) for computer software pledged as securities towards funded and non-funded facilities.
- During the year, pursuant to the launch of V! brand, the company has reassessed the estimated useful life of Vodafone brand from 15 years to 10 years and taken an additional amortisation charge of ₹ 109 Mn (net of reduction on account of impairment amounting to ₹ 323 Mn) (refer note 43(x)).
- Intangible Assets under development as at March 31, 2021 is ₹ 63 Mn (March 31, 2020: ₹ 966 Mn), amount added during the year ₹ 2,324 Mn (March 31, 2020: ₹ 42,303 Mn) and amount capitalized during the year of ₹ 3,227 Mn (March 31, 2020: ₹ 68,780 Mn).
- Includes ₹ 38,871 Mn on account of One Time Spectrum Charges (refer note 43(v)).

NOTE 10 : INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Investment (Unquoted)		
Investments in Equity Instruments of Associate		
Aditya Birla Idea Payments Bank Limited (ABIPBL) 278,793,750 fully paid equity shares of ₹ 10 each	2,788	2,788
Add: Group's share of loss of ABIPBL	(1,192)	(1,192)
Less: Impairment Provision (refer note 43(ii))	(1,596)	(1,596)
Total investment in associate (A)	-	-
Investments in Equity Instruments of Joint Ventures		
(i) Indus Towers Limited ('Indus') ⁽¹⁾ Nil (March 31, 2020: 132,868) fully paid equity shares of ₹ 1 each	-	-*
Add: Group's share of Profit / Reserves of Indus	-	15,217
Total	-	15,217
(ii) Firefly Networks Limited ('FNL') 1,000,000 fully paid equity shares of ₹ 10 each	10	10
Add: Group's share of profit of FNL	31	17
Total	41	27
Total investment in joint ventures (B)	41	15,244
Total (A+B)	41	15,244

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

⁽¹⁾The Company has sold its stake in Indus on November 19, 2020 (refer note 43(iii)).

NOTES

forming part of the Financial Statements

NOTE 11 : OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Deposits with body corporate and others (includes amount referred in Note 57)		
- Considered Good	7,370	8,123
- Considered Doubtful	235	233
Deposits and balances with government authorities ⁽¹⁾	1,003	7,540
Derivative assets at fair value through profit or loss (forward contracts and cross currency swaps)	-	131
Margin money deposits ⁽²⁾	4,663	2,638
Settlement Asset (refer note 43(viii))	63,939	62,801
Other receivable from related party (refer note 57)	347	1,224
Long term loans to employees	1	2
	77,558	82,692
Allowance for doubtful advances (refer note 49)	(235)	(233)
Total	77,323	82,459

⁽¹⁾ Includes balance with DoT amounting to ₹ Nil (March 31, 2020: ₹ 6,545 Mn).

⁽²⁾ Includes ₹ 4,600 Mn given to avail bank guarantees and letter of credits apart from security provided as referred in note 24 (C)(ii).

NOTE 12 : OTHER NON-CURRENT ASSETS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Capital advances		
- Considered Good (includes amount referred in note 43(vii))	5,851	117
- Considered Doubtful	36	3
Prepaid expenses	423	840
Advance income tax (Net)	61,900	70,883
GST recoverable		
- Considered Good	1,286	4,509
- Considered Doubtful	55	58
Costs to obtain a contract with the customer (refer note 46)	5,166	-
Others (consisting mainly deposit against demands which are appealed against / subjudice)		
- Considered Good	60,835	58,517
- Considered Doubtful	1,405	1,444
	136,957	136,371
Allowance for doubtful advances (refer note 49)	(1,496)	(1,505)
Total	135,461	134,866

NOTE 13 : INVENTORIES

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Trading Goods	6	25
Total	6	25

NOTES

forming part of the Financial Statements

NOTE 14 : CURRENT INVESTMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	Qty in '000 Units	₹ Value	Qty in '000 Units	₹ Value
Investment in units of liquid funds (quoted)				
Aditya Birla Sun Life Liquid Fund - Dir - Growth (formerly known as Birla Sun Life Cash Plus - Direct - Growth)	-	-	14,233	4,548
Total	-	-	14,233	4,548

NOTE 15 : TRADE RECEIVABLES (UNSECURED, UNLESS OTHERWISE STATED) (INCLUDES AMOUNT REFERRED IN NOTE 57)

Particulars	As at	
	March 31, 2021	March 31, 2020
Billed Receivables		
Unsecured - Considered Good	20,274	25,289
Unsecured - Considered Doubtful	11,288	12,624
Unbilled Receivables		
Unsecured - Considered Good	4,796	5,654
Unsecured - Considered Doubtful	425	225
	36,783	43,792
Allowance for doubtful debts (refer note 49)	(11,713)	(12,849)
Total	25,070	30,943

Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 305 Mn (March 31, 2020 : ₹ 511 Mn)

NOTE 16 : CASH AND CASH EQUIVALENTS

Particulars	As at	
	March 31, 2021	March 31, 2020
Cash on hand	30	34
Cheques on hand	181	31
Balances with banks		
- In current accounts	2,770	2,696
- In deposit accounts (having maturity less than 3 months)	522	947
Total	3,503	3,708

NOTE 17 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at	
	March 31, 2021	March 31, 2020
Margin money deposits ^{(1) & (2)}	17,869	5,729
Fixed deposits with banks having maturity of 3 to 12 months	27	16,504
Earmarked bank balance towards dividend	3	4
Earmarked balances ⁽³⁾	580	500
Held in escrow account ⁽⁴⁾	183	185
Total	18,662	22,922

NOTES

forming part of the Financial Statements

⁽¹⁾Includes fixed deposit of ₹ 14,887 Mn (March 31, 2020: ₹ 1,904 Mn) having maturity of 3 to 12 months held with banks as margin money deposit against bank guarantees and letter of credits issued by banks for a period ranging from 1 to 7 years (March 31, 2020: 1 to 3 years)

⁽²⁾Includes ₹ 16,594 Mn given to avail bank guarantees and letter of credits apart from security provided as referred in note 24 (C)(ii).

⁽³⁾Contribution received by Vodafone Foundation towards CSR activities.

⁽⁴⁾Represents cash received from participating merchant establishments and customers in accordance with the Reserve Bank of India guidelines. The balance can only be used for the purpose of making payment to participating merchants and other permitted payments.

NOTE 18 : LOANS TO JOINT VENTURE AND OTHERS (UNSECURED AND CONSIDERED GOOD, UNLESS OTHERWISE STATED)

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Loan to related parties (refer note 57)		
- Loan to Joint Venture ⁽¹⁾	8	8
Current portion of loans to employees	1	1
Total	9	9

⁽¹⁾Loans have been provided for general corporate purpose and interest rate is from 8.75% to 9.8% p.a. (March 31, 2020: from 8.75% to 9.8% p.a). Maximum loan outstanding during the year ₹ 8 Mn (March 31, 2020: ₹ 8 Mn).

NOTE 19 : OTHER CURRENT FINANCIAL ASSETS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Interest Receivable	343	1,146
Deposits with body corporate and others		
- Considered Good	4	9
- Considered Doubtful	6	-
Deposits and balances with government authorities ⁽¹⁾	1,518	-
Derivative assets at fair value through profit or loss (forward contracts and cross currency swaps)	-	691
Settlement Asset (refer note 43(viii))	-	20,886
Other receivables (includes amount referred in note 57)	252	301
	2,123	23,033
Allowance for doubtful advances (refer note 49)	(6)	-
Total	2,117	23,033

⁽¹⁾Includes balance with DoT amounting to ₹ 1,513 Mn (March 31, 2020: ₹ Nil)

NOTE 20 : OTHER CURRENT ASSETS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
GST recoverable		
- Considered Good	84,434	78,140
- Considered Doubtful	706	222
Prepaid expenses	3,269	2,781
Costs to obtain a contract with the customer (refer note 46)	2,862	-
Others		
- Considered Good	410	752
- Considered Doubtful	590	374
	92,271	82,269
Allowance for doubtful advances (refer note 49)	(1,296)	(596)
Total	90,975	81,673

NOTES

forming part of the Financial Statements

NOTE 21 : ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	As at		As at March 31, 2020
	March 31, 2021	March 31, 2021	
Leasehold land (refer note 43(ix))		653	-
Total		653	-

NOTE 22 : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount (₹ MN)	Numbers	Amount (₹ MN)
EQUITY SHARE CAPITAL				
Authorised share capital				
Equity Shares of ₹ 10 each	48,500,000,000	485,000	48,500,000,000	485,000
Redeemable cumulative non-convertible Preference shares of ₹ 10 Mn each	1,500	15,000	1,500	15,000
	48,500,001,500	500,000	48,500,001,500	500,000
Issued, subscribed and paid-up share capital				
Equity Shares of ₹ 10 each fully paid up	28,735,389,240	287,354	28,735,389,240	287,354
	28,735,389,240	287,354	28,735,389,240	287,354

(a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount (₹ MN)	Numbers	Amount (₹ MN)
Equity shares outstanding at the beginning of the year	28,735,389,240	287,354	8,735,558,329	87,356
Right issue of share during the year (refer note 43(ii))	-	-	19,999,830,911	199,998
Equity shares outstanding at the end of the year	28,735,389,240	287,354	28,735,389,240	287,354

(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. The Company declares and pays dividends in Indian rupees. 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				
Grasim Industries Limited	3,317,566,167	11.55%	3,317,566,167	11.55%
Euro Pacific Securities Limited	3,198,986,106	11.13%	3,198,986,106	11.13%
Prime Metals Limited	2,185,526,081	7.61%	2,185,526,081	7.61%
Oriana Investments PTE Ltd	2,147,307,225	7.47%	2,147,307,225	7.47%
Mobilvest	1,675,994,466	5.83%	1,675,994,466	5.83%
Vodafone Telecommunications (India) Limited	1,624,511,788	5.65%	1,624,511,788	5.65%
Trans Crystal Limited	1,461,143,311	5.08%	1,461,143,311	5.08%

(d) Shares reserved for issue under options

Refer Note 52 for details of shares reserved for issue under the employee stock option scheme.

NOTES

forming part of the Financial Statements

NOTE 23 : OTHER EQUITY

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
(i) Capital reserve⁽¹⁾		
Opening balance	(88,460)	(88,324)
Settlement assets/liabilities	-	(136)
Closing balance (A)	(88,460)	(88,460)
(ii) Capital reduction reserve⁽²⁾		
Opening balance	277,787	2,77,787
Change during the year	-	-
Closing balance (B)	277,787	277,787
(iii) Debenture redemption reserve⁽³⁾		
Opening balance	4,408	4,408
Change during the year	-	-
Closing balance (C)	4,408	4,408
(iv) Securities premium		
Opening balance	1,084,698	1,035,532
Premium on allotment of shares under right issue (net of share issue expenses of ₹ 834 Mn) (refer note 43(ii))	-	49,166
Closing balance (D)	1,084,698	1,084,698
(v) Amalgamation adjustment deficit account⁽⁴⁾		
Opening balance	(488,444)	(488,408)
Pursuant to merger of ITL with the Company (refer note 43(iv))	-	(36)
Closing balance (E)	(488,444)	(488,444)
(vi) General Reserve⁽⁵⁾		
Opening balance	1,562	1,562
Change during the year	-	-
Closing balance (F)	1,562	1,562
(vii) Retained Earnings		
Opening balance	(1,019,762)	(234,234)
Transition impact of Ind AS 116	-	(44,649)
Group's share of transition impact of Ind AS 116 by joint venture (Indus)	-	(1,740)
Profit/(Loss) for the year	(442,331)	(738,781)
Other Comprehensive Income/(loss) recognised directly in retained earnings	368	(90)
Share-based payments expenses (refer note 52)	295	-
Group's share of additional depreciation in joint venture (Indus) on fair valued assets/ physical verification adjustments pursuant to scheme	(116)	(268)
Closing balance (G)	(1,461,546)	(1,019,762)
(viii) Employee stock options reserve		
Opening balance	656	669
Share-based payments expenses (refer note 52)	(295)	(13)
Closing balance (H)	361	656
Total (A+B+C+D+E+F+G+H)	(669,634)	(227,555)

NOTES

forming part of the Financial Statements

⁽¹⁾Capital reserve comprises of capital receipt, received as compensation from an erstwhile Joint Venture partner for failure to subscribe in the equity shares of VInL in earlier years, settlement liability created on merger of erstwhile Vodafone with the Company and amount pursuant to merger of ABTL with the Company.

⁽²⁾Capital reduction reserve was created by VInL on distribution of VInL's share in Indus to share holders of VInL in accordance with capital reduction scheme. This reserve is not available for distribution as dividend.

⁽³⁾The Company has incurred losses during the current /previous year. Accordingly, the Company is not required to create any further DRR as per the Act and hence no DRR has been created during the year ended March 31, 2021 and March 31, 2020.

⁽⁴⁾The Company has accounted for the merger of VInL and VMSL with the Company under 'pooling of interest' method. Consequently, investment of VInL in VMSL, share capital of VInL and VMSL has been cancelled. The difference between the face value of shares issued by the Company and the value of shares and investment so cancelled has been recognized in Amalgamation Adjustment Deficit Account of ₹ (488,408) Mn. Also pursuant to merger of ITL with the Company, share capital of ITL and investment of the Company have been cancelled. The difference between equity of ITL and investment of the Company of ₹ (36) Mn has been recognized in Amalgamation Adjustment Deficit Account (refer note 43 (iv)). From utilisation perspective, this is an unrestricted reserve.

⁽⁵⁾Includes ₹ 1,393 not available for distribution as dividend.

NOTE 24 (A) : LOANS FROM BANKS AND OTHERS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Secured Loans		
Term Loans		
- Rupee loan from banks	49,325	9,950
Total Secured loans (A)	49,325	9,950
Unsecured Loans		
Redeemable Non-Convertible Debentures (NCDs)	14,934	74,828
Term Loans		
- Foreign currency loan from banks	-	1
- Rupee loan from Others	587	1,500
Total Unsecured Loans (B)	15,521	76,329
Total (A+B)	64,846	86,279

(B) DEFERRED PAYMENT OBLIGATIONS (UNSECURED)

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Deferred Payment Liabilities towards Spectrum	941,773	876,474
Deferred Payment obligation pursuant to AGR judgment (refer note 3)	567,522	-
Deferred Payment Others	14	51
Total	1,509,309	876,525

NOTES

forming part of the Financial Statements

(C) (i) Security clause

₹ Mn

Type of Borrowing	Outstanding Secured Loan Amount ⁽¹⁾		Security Offered ⁽²⁾
	As at March 31, 2021	As at March 31, 2020	
Rupee Loan	9,950	9,950	First pari passu charge on movable fixed assets of the company excluding: a) Spectrum and Telecom licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive telecom infrastructure
Rupee Loan	77,056	77,500	First charge pari passu on all the movable assets (including current/noncurrent assets), immovable assets and intangible assets of the Company excluding: a) Spectrum and Telecom Licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive telecom infrastructure
Vehicle Loans	-	3	Hypothecation of Vehicles against which the loans have been taken
Sub-Total	87,006	87,453	
Unamortised upfront fees	-	(1)	
Total	87,006	87,452	

⁽¹⁾Amounts represent Loans from banks and others including current maturities of ₹ 37,681 Mn (March 31, 2020 ₹ 77,502 Mn).

⁽²⁾Security offered does not cover properties / assets acquired pursuant to amalgamation of VMSL and VInL with the Company, RoU assets and assets to which the title will be transferred to the company on final payment (refer note 7(3)).

(C) (ii) The Company has also provided charge against certain assets excluding ROU assets and assets to which the title will be transferred to the company on final payment (refer note 7(3)) for availing non-fund based facility towards bank guarantees/letter of credit including guarantee to DoT with respect to deferred payment liabilities towards spectrum, one time spectrum charges and various performance/roll out obligations. The details of the same are as below:

₹ Mn

Type of funding	Security Amount		Outstanding Facility Amount		Security Offered
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
	20,000	20,000	7,400	7,542	First Pari Passu charge on movable (including CWIP) and current assets of the Company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn and c) spectrum and telecom licenses
	24,250	24,250	24,250	20,367	Second pari passu charge on movable (including CWIP) and current assets of the Company ⁽¹⁾
Bank Guarantee and Letter of Credit	97,500	97,500	97,471	97,500	Second pari passu charge on movable (including CWIP) and current assets of the Company excluding ⁽¹⁾ a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn and c) spectrum and telecom licenses
	3,000	3,000	402	402	Second pari passu charge on movable (including CWIP) assets of the Company ⁽¹⁾

NOTES

forming part of the Financial Statements

₹ Mn

Type of funding	Security Amount		Outstanding Facility Amount		Security Offered
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
	63,000	68,750	56,330	51,384	First pari passu charge on movable fixed assets of the Company acquired pursuant to amalgamation of VMSL and VinL with the company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn c) spectrum and telecom licenses
	19,350	-	19,346	-	a) a first ranking exclusive charge by way of hypothecation over all the Fiber Assets owned by one of the Group company (VITIL), the Current Assets in relation to such Fiber Assets and IRU Agreements entered into between VITIL and counter parties; b) an irrevocable and unconditional guarantee by VITIL by way of a Deed of Corporate Guarantee; and c) a first ranking exclusive mortgage of an Immovable Property situated at Jaipur, by way of deposit of title deeds.
Bank Guarantee and Letter of Credit	5,142	7,570	4,907	5,148	First pari passu charge on movable fixed assets of the Company acquired pursuant to amalgamation of VMSL and VinL with the company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn c) spectrum and telecom licenses Charge on fixed deposit of ₹ 363 Mn
Total	232,242	221,070	210,106	182,343	

Note: Apart from this, the Company also has unsecured bank guarantees and letter of credits of ₹ 38,006 Mn. (March 31, 2020: ₹ 39,544 Mn.)

⁽¹⁾Security offered does not cover properties / assets acquired pursuant to amalgamation of VMSL and VinL with the Company.

NOTES

forming part of the Financial Statements

(D) REPAYMENT TERMS OF LOANS FROM BANKS AND OTHERS AS ON MARCH 31, 2021

₹ Mn

Type of Borrowing	Current maturities of loans from banks and others	Loans from banks and others excluding current maturities	Total	Repayment Terms for the Balance Amount
(i) Secured Loans				
a) Rupee Loan ⁽¹⁾	6,250	39,375	45,625	a) ₹ 625 Mn is repayable in June, 2021 b) Repayable in 12 equal quarterly installments of 3.75% each of the total drawn amount starting Sep, 2021 c) Repayable in 8 equal quarterly installments of 5% each of the total drawn amount starting Sep, 2024 d) Repayable in 2 equal quarterly installments of 2.5% each of the total drawn amount starting Sep, 2026
b) Rupee Loan	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan ⁽¹⁾	30,000	-	30,000	Repayable in 20 equal quarterly installments starting September, 2021
d) Rupee Loan ⁽¹⁾	1,431	-	1,431	Repayable in June, 2026
Sub-Total (A)	37,681	49,325	87,006	
(ii) Unsecured Loans				
a) Foreign currency Loan ⁽¹⁾	1,741	-	1,741	Repayable in 5 equal half yearly installments starting April, 2021
b) Foreign currency Loan ⁽¹⁾	580	-	580	Repayable in May, 2021
c) Foreign currency Loan ⁽¹⁾	7,394	-	7,394	Repayable in 2 equal annual installments starting June, 2021
d) Foreign currency Loan ⁽¹⁾	7,599	-	7,599	Repayable in 2 equal annual installments starting July, 2021
f) Rupee Term Loan ⁽¹⁾	40,000	-	40,000	Repayable in 4 equal quarterly installments starting September, 2022
g) Rupee Term Loan ⁽¹⁾	10,000	-	10,000	Repayable in 4 equal quarterly installments starting October 2022
h) Rupee Term Loan	913	587	1,500	Repayable in Half yearly installments starting from June 2021 to December 2023.
i) 7.57% Redeemable Non Convertible Debentures	15,000	-	15,000	Repayable in December, 2021
j) 7.77% Redeemable Non Convertible Debentures	15,000	-	15,000	Repayable in January, 2022
k) 8.04% Redeemable Non Convertible Debentures	20,000	-	20,000	Repayable in January, 2022
l) 8.03% Redeemable Non Convertible Debentures	5,000	-	5,000	Repayable in January, 2022
m) 8.03% Redeemable Non Convertible Debentures	5,000	-	5,000	Repayable in February, 2022
n) 10.90% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
Sub-Total	128,227	15,587	143,814	
Unamortised upfront fees	(39)	(66)	(105)	
Sub-Total (B)	128,188	15,521	143,709	
Grand Total (A+B)	165,869	64,846	230,715	

NOTES

forming part of the Financial Statements

(D) Repayment terms of loans from banks and others as on March 31, 2020

₹ Mn

Type of Borrowing	Current maturities of loans from banks and others	Loans from banks and others excluding current maturities	Total	Repayment Terms for the Balance Amount
(i) Secured Loans				
a) Rupee Loan ^{(1) & (2)}	47,500	-	47,500	a) 4 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2020 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026
b) Rupee Loan ⁽²⁾	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan ^{(1) & (2)}	30,000	-	30,000	Repayable in 20 equal quarterly installment starting September, 2021
d) Vehicle Loan	3	-	3	Equal monthly installments over the term of the loan ranging from 2 to 5 years
Sub-Total	77,503	9,950	87,453	
Unamortised upfront fees	(1)	-	(1)	
Sub-Total (A)	77,502	9,950	87,452	
(ii) Unsecured Loans				
a) Foreign currency Loan ⁽¹⁾	358	-	358	Repayable in April, 2020.
b) Foreign currency Loan ⁽¹⁾	2,500	-	2,500	7 equal half yearly installments starting April, 2020
c) Foreign currency Loan ⁽¹⁾	1,785	-	1,785	3 equal half yearly installments starting May, 2020
d) Foreign currency Loan ⁽¹⁾	11,374	-	11,374	3 equal annual installments starting June, 2020
e) Foreign currency Loan ⁽¹⁾	11,691	-	11,691	3 equal annual installments starting July, 2020
f) Foreign currency Loan	269	-	269	Repayable in September, 2020
g) Foreign currency Loan	55	-	55	Repayable in March, 2021
h) Rupee Term Loan ^{(1) & (2)}	40,000	-	40,000	4 equal quarterly installments starting September, 2022
i) Rupee Term Loan ^{(1) & (2)}	10,000	-	10,000	Repayable in 4 equal quarterly installments starting October, 2022
j) Rupee Term Loan	1,183	1,500	2,683	Repayable in half yearly installments starting from April, 2020 to December, 2023.
k) Rupee Term Loan	881	-	881	Repayable in quarterly installments starting from April, 2020 to July, 2020.
l) 7.57% redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
m) 7.77% redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
n) 8.04% redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022
o) 8.03% redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
p) 8.03% redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022
q) 10.90% redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
r) 8.25% redeemable Non Convertible Debentures	28,750	-	28,750	Repayable in July, 2020
				(Out of the 35,000 NCDs issued in FY 2015-16, the Company has re-purchased 6,250 NCDs of ₹ 1 Mn each, aggregating to ₹ 6,250 Mn with an option to re-issue the same in future).
Sub-Total	108,846	76,500	185,346	
Unamortised upfront fees	(1)	(171)	(172)	
Sub-Total (B)	108,845	76,329	185,174	
Grand Total (A + B)	186,347	86,279	272,626	

NOTES

forming part of the Financial Statements

⁽¹⁾Some of the Company's loans are subjected to covenant clauses, whereby the Company is required to meet certain specified financial ratios. The Company has not met certain financial ratios for some of these arrangements, the gross outstanding amount for which as at March 31, 2021 was ₹ 144,370 Mn (March 31, 2020 ₹ 155,208 Mn). Subsequent to the Balance Sheet date, the Company has received waivers for loans amounting to ₹ 45,625 Mn (March 31, 2020 ₹ Nil). Accordingly, as at March 31, 2021 loans amounting to ₹ 85,472 Mn (March 31, 2020 ₹ 142,757 Mn) has been re-classified from non-current borrowings to current maturities of long term debt. The unamortised arrangement fees on such borrowings of ₹ Nil (March 31, 2020 ₹ 32 Mn) has been charged in statement of profit and loss. As on the reporting date, none of the banks have approached for early repayment.

⁽²⁾The Company has availed option for moratorium of 6 months for repayment of Interest and principal in accordance with the notification issued by RBI.

(E) REPAYMENT TERMS OF DEFERRED PAYMENT OBLIGATIONS AS ON MARCH 31, 2021

₹ Mn				
Type of Borrowing	Current maturities of deferred payment obligations	Deferred payment obligations excluding current maturities	Total	Repayment Terms for the Balance Amount
(i) Deferred Payment Liability (DPL) towards spectrum acquired in ⁽¹⁾				
a) November - 2012 auctions	752	11,090	11,842	Repayable in 10 equal annual installments starting December, 2021
b) February - 2014 auctions	12,306	218,711	231,017	a) ₹ 228,058 Mn and Interest thereon will be repaid in 11 equal annual installments starting March, 2022 b) ₹ 2,959 Mn and interest thereon will be repaid in 11 equal annual installments starting September, 2022
c) March - 2015 auctions	-	510,281	510,281	a) ₹ 508,661 Mn and Interest thereon will be repaid in 12 equal annual installments starting April, 2022 b) ₹ 1,620 Mn and Interest thereon will be repaid in 11 equal annual installments starting September, 2022
d) October - 2016 auctions	7,883	201,691	209,574	Repayable in 14 equal annual installments starting October, 2021
Sub-Total (A)	20,941	941,773	962,714	
(ii) Deferred Payment obligation pursuant to AGR judgment (refer note 3) (B)	42,081	567,522	609,603	Repayable in 10 equal annual installments (including interest thereon) starting March, 2022
(iii) Deferred Payment Others (C)	57	14	71	a) ₹ 50 Mn is repayable in June, 2021 b) ₹ 21 Mn is repayable in monthly installment starting April, 2021
Grand Total (A+B+C)	63,079	1,509,309	1,572,388	

(E) Repayment terms of deferred payment obligations as on March 31, 2020

₹ Mn				
Type of Borrowing	Current maturities of deferred payment obligations	Deferred payment obligations excluding current maturities	Total	Repayment Terms for the Balance Amount
(i) Deferred Payment Liability (DPL) towards spectrum acquired in ⁽¹⁾				
a) November - 2012 auctions	-	10,790	10,790	9 equal annual installments starting December, 2022
b) February - 2014 auctions	-	210,038	210,038	a) ₹ 207,326 Mn and Interest thereon will be repaid in 10 equal annual installments starting March, 2023 b) ₹ 2,712 Mn and interest thereon will be repaid in 13 equal annual installments starting September, 2022

NOTES

forming part of the Financial Statements

₹ Mn

Type of Borrowing	Current maturities of deferred payment obligations	Deferred payment obligations excluding current maturities	Total	Repayment Terms for the Balance Amount
c) March - 2015 auctions	-	4,63,903	4,63,903	a) ₹ 462,419 Mn and Interest thereon will be repaid in 12 equal annual installments starting April, 2022 b) ₹ 1,484 Mn and Interest thereon will be repaid in 13 equal annual installments starting September, 2022
d) October - 2016 auctions	-	1,91,743	1,91,743	13 equal annual installments starting October, 2022
Sub-Total (A)	-	876,474	876,474	
(ii) Deferred Payment Others (B)	482	51	533	Repayable in quarterly/yearly instalment from June, 2020 to June, 2021
Grand Total (A+B)	482	876,525	877,007	

⁽¹⁾ Department of Telecommunication (DoT) has provided an option for deferment of payment of spectrum auction instalment due for the financial years 2020-21 and 2021-22 on submission of additional Bank Guarantees for the increased instalment amounts basis the moratorium availed. During the year, to avail such moratorium, the Company has provided Bank Guarantees amounting to ₹ 27,628 Mn which is equivalent to 2 year differential amount on certain spectrum and 1 year differential amount on certain spectrum. Accordingly, current maturities of long term borrowings includes ₹ 20,941 Mn of deferred payment obligation towards spectrum towards which additional Bank Guarantees of ₹ 9,757 Mn is to be provided to avail the additional 1 year moratorium.

(F) Interest rate for Rupee Term Loan ranges from 8.53% to 11.40% (March 31, 2020: from 4.0% to 12.75%). Foreign currency loan ranges from 1.21% to 1.37% (March 31, 2020: from 1.40% to 4.15%) and Deferred Payment obligations from 8% to 10% (March 31, 2020: from 9.30% to 10%).

NOTE 25 : OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ Mn

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	45	46
Payable for capital expenditure ((includes amount referred in note 7(3))	13,234	54,309
Interest accrued but not due on deferred payment liability	49,990	55,440
Derivative liabilities at fair value through profit or loss (forward contracts)	6	-
Lease Liabilities (refer note 47)	109,544	164,278
Total	172,819	274,073

NOTE 26 : LONG TERM PROVISIONS

₹ Mn

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (refer note 53)	211	2,751
Compensated absences	139	547
Asset retirement obligation (refer note 50)	66	123
Total	416	3,421

NOTE 27 : OTHER NON-CURRENT LIABILITIES

₹ Mn

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Revenue	4,381	4,611
Total	4,381	4,611

NOTES

forming part of the Financial Statements

NOTE 28 : SHORT TERM BORROWINGS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Unsecured Loans		
Bank overdraft	-	39
Short term loan from banks	-	283
Total	-	322

NOTE 29 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Current maturities of loans from banks and others (refer note 24(C) and 24(D))	165,869	186,347
Current maturities of Deferred payment obligations (refer note 24(E))	63,079	482
Payable for capital expenditure (includes amount referred in 7(3) and 57)	70,990	36,896
Accrual towards One Time Spectrum Charges (OTSC) (refer note 43(v))	43,898	38,871
Interest accrued but not due on borrowings	13,962	5,641
Unpaid dividend	3	4
Derivative liabilities at fair value through profit or loss (forward contracts)	434	-
Security deposits from customers and others	4,029	4,380
Lease Liabilities (refer note 47)	104,555	104,514
Total	466,819	377,135

NOTE 30 : OTHER CURRENT LIABILITIES

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Deferred revenue and advance from customers ⁽¹⁾	25,194	27,042
Taxes, regulatory and statutory liabilities ⁽²⁾	38,614	434,943
Others ⁽³⁾	183	183
Total	63,991	462,168

⁽¹⁾Revenue recognised during the year from deferred revenue and advance from customers (contract liability) at the beginning of the year is ₹ 27,042 Mn.

⁽²⁾Previous years includes amounts referred in note 3

⁽³⁾Represents money received from distributors and enterprise customers and outstanding liability to customers and merchants.

NOTE 31 : SHORT TERM PROVISIONS

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Gratuity (refer note 53)	229	326
Compensated absences	130	120
Asset retirement obligation (refer note 50)	98	46
Provision for tax (net of Advance tax of ₹ Nil (March 31, 2020: ₹ Nil))	1	1
Total	458	493

NOTES

forming part of the Financial Statements

NOTE 32 : OTHER OPERATING INCOME

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Liabilities no longer required written back	46	229
Miscellaneous receipts	94	179
Total	140	408

Note 33 : OTHER INCOME

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income (includes amount referred in note 57)	1,232	7,375
Gain on Mutual Funds (including fair value gain/(loss))	404	2,883
Others	106	135
Total	1,742	10,393

NOTE 34 : EMPLOYEE BENEFIT EXPENSES

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	17,994	18,846
Contribution to provident and other funds (refer note 53)	1,423	1,575
Share based payment expenses (ESOS) (refer note 52) ^{(1)&(2)}	35	(102)
Staff welfare	842	1,154
Recruitment and training	6	170
Total	20,300	21,643

⁽¹⁾includes charge/(credit) on account of cash settled ESOP ₹ 35 Mn (March 31, 2020: ₹ (89) Mn).

⁽²⁾The charge for the period is net of reversal on account of cancellation of unvested options of ₹ * Mn (March 31, 2020 : ₹ 13 Mn).

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

NOTE 35 : NETWORK EXPENSES AND IT OUTSOURCING COST

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Security service charges	358	606
Power and fuel	55,385	60,842
Repairs and maintenance - plant and machinery	25,407	28,236
Lease line and connectivity charges	4,944	5,762
Network insurance	616	533
Other network operating expenses	1,578	2,594
IT outsourcing cost	7,650	11,343
Total	95,938	109,916

NOTE 36 : LICENSE FEES AND SPECTRUM USAGE CHARGES

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
License fees	28,586	33,120
Spectrum usage charges	12,709	15,362
Total	41,295	48,482

NOTES

forming part of the Financial Statements

NOTE 37 : ROAMING AND ACCESS CHARGES

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Roaming charges	2,588	3,898
Access charges	50,318	56,078
Total	52,906	59,976

NOTE 38 : SUBSCRIBER ACQUISITION AND SERVICING EXPENDITURE

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of sim and recharge vouchers	698	813
Commission to dealers and others (refer note 46)	11,272	20,766
Customer verification expenses (refer note 46)	348	808
Collection, telecalling and servicing expenses	4,591	6,119
Customer retention and customer loyalty expenses	768	793
Total	17,677	29,299

NOTE 39 : ADVERTISEMENT, BUSINESS PROMOTION EXPENDITURE AND CONTENT COST

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertisement & Business promotion expenditure	1,994	4,261
Content cost	5,881	7,513
Total	7,875	11,774

NOTE 40 : OTHER EXPENSES

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Repairs and maintenance		
Building	106	102
Others	2,924	3,044
Other insurance	25	21
Rates and taxes	247	287
Electricity	654	1,048
Printing and stationery	36	93
Communication expenses	78	204
Travelling and conveyance	377	1,242
Bad debts / advances written off	3,873	5,332
Allowances for doubtful debts and advances (refer note 49)	(437)	(1,960)
Loss / (Gain) on disposal of property, plant and equipment (net)	5	26
Bank charges	1	7
Directors Sitting Fees (refer note 57)	9	11
Legal and professional charges ⁽¹⁾	616	1,788
Audit fees	78	93
CSR expenditure	3	26
Support service charges (refer note 57)	3,528	5,395
Miscellaneous expenses ⁽²⁾	1,921	2,562
Total	14,044	19,321

⁽¹⁾Includes certification fees to statutory auditors ₹ 5 Mn (March 31, 2020: ₹ 23 Mn).

⁽²⁾Includes out of pocket expenses to statutory auditors ₹ 1 Mn (March 31, 2020: ₹ 16 Mn).

NOTES

forming part of the Financial Statements

NOTE 41 : FINANCE COSTS

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest		
- On fixed period loan	23,144	26,200
- On deferred payment liability towards spectrum	91,730	87,521
- On lease liabilities (refer note 47)	20,806	26,152
- On deferred payment obligation pursuant to AGR judgement (refer note 3)	33,763	-
- Others	5,951	3,867
Other finance charges	5,270	3,376
Total interest expense	180,664	147,116
Exchange difference (net)	(1,952)	8,143
Loss / (gain) on derivatives (including fair value changes on derivatives)	1,269	(1,339)
Total	179,981	153,920

NOTE 42 : EXCEPTIONAL ITEMS (NET)

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Gain on sale of stake in Indus (refer note 43(iii))	21,189	-
Integration and merger related costs	(9,892)	(10,012)
Impact due to cancellation of lease contract on network re-alignment	1,696	2,172
Provision for additional depreciation / impairment of assets		
- Accelerated depreciation on network re-alignment / re-farming ⁽²⁾	(5,745)	(59,743)
- Impairment of Brand (refer note 43(x))	(7,246)	-
License fees and SUC on AGR (refer note 3)	(194,405)	(275,143)
One Time Spectrum Charges (refer note 43(v))	(5,027)	(38,871)
Provision for impairment towards its investment in associate (refer note 43(ii))	-	(1,596)
Others	(251)	(364)
Total	(199,681)	(383,557)

⁽¹⁾Amounts given in above Exceptional items (net) note represents Exceptional gain/(loss).

⁽²⁾During the previous year, the Company had taken an accelerated depreciation charge of ₹ 40,320 Mn towards certain 3G network equipment which were no longer usable on the basis of its revised business plan of re-farming 3G spectrum for 4G services.

NOTE 43 : SIGNIFICANT TRANSACTIONS/NEW DEVELOPMENTS

- i) On May 4, 2019, the Group had allotted 19,999,830,911 Equity Shares of face value of ₹ 10 each to the eligible equity shareholders under a Rights Issue at a price of ₹ 12.50 (including a premium of ₹ 2.50) per equity share aggregating to ₹ 249,998 Mn. Entire proceeds from the Rights Issue has been utilised in accordance with the issue object(s) stated in offer document (as amended).
- ii) Aditya Birla Idea Payment Bank Limited (ABIPBL), an associate of the Company had decided to wind up business voluntarily (voluntary winding up) on July 19, 2019 subject to requisite regulatory approvals and consent. Accordingly, during the previous year the Group had ceased to do equity accounting for ABIPBL effective July 2019, and made a provision for impairment of the amount of investments in ABIPBL of ₹ 1,596 Mn and additional amount of ₹ 98 Mn contributed in proportion to shareholding towards liquidation expenses under exceptional items. ABIPBL is currently under liquidation.
- iii) The scheme of amalgamation and arrangement between Bharti Infratel Limited and Indus became effective from November 19, 2020. Pursuant to aforesaid, Indus was dissolved without being wound up and got merged with Bharti Infratel Limited (the merged entity is thereafter named as Indus Towers Limited) on a going concern basis.

NOTES

forming part of the Financial Statements

On November 19, 2020, the Company sold its 11.15% stake in Indus for a consideration of ₹ 37,472 Mn (net of expenses incurred on sale) to Bharti Infratel Limited and recognized a gain on sale amounting to ₹ 21,189 Mn (net of cost to sell) as exceptional items. Accordingly, the Group has recognized its share of net profit in Indus amounting to ₹ 2,300 Mn till November 18, 2020 as per equity method of accounting for its stake in Indus.

iv) On August 13, 2019, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Vodafone India Digital Limited (VIDL) and Idea Telesystems Limited (ITL), with the Company with an appointed date of April 1, 2019. During the previous year, the Company had received the requisite regulatory approvals and the merger became effective on March 1, 2020 on filing the certified copies of the orders sanctioning the scheme with the RoC. This transaction had been accounted in the previous year as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of VIDL and ITL. Such merger has resulted into decrease in Goodwill on consolidation by ₹ 36 Mn and corresponding increase (as negative result) in Amalgamation adjustment deficit account by ₹ 36 Mn.

v) One Time Spectrum Charges (Beyond 4.4 MHz):

During the financial year 2012-13, DoT had issued demand notices towards one time spectrum charges (hereinafter referred to as "OTSC"). The demands on the Company i.e. formerly Idea Cellular Limited have been challenged by way of writ petition before the Bombay High Court (BHC). The erstwhile Vodafone India Limited (VInL) and erstwhile Vodafone Mobile Services Limited (VMSL) had challenged the demands before the TDSAT. The grounds taken before BHC and TDSAT were different though.

On July 4, 2019 TDSAT in its judgement quashed the demands levied on erstwhile VInL and VMSL and inter alia held that:

- For spectrum up to 6.2 MHz, OTSC is not chargeable and accordingly demand set aside.
- For spectrum beyond 6.2 MHz,
 - Allotment after July 1, 2008, OTSC shall be levied from the date of allotment of such spectrum.
 - Allotment before July 1, 2008, OTSC shall be levied from January 1, 2013 till the date of expiry of license.
 - Conditions as stated in para 1(v) of the impugned order dated December 28, 2012 (given hereunder) is arbitrary and illegal and is accordingly set aside, i.e. Upfront charges in the case of spectrum holding in multiple bands (900 MHz and 1800 MHz), spectrum in 1800 MHz band will be accounted for first, towards the limit of 4.4 MHz was held to be arbitrary and illegal and accordingly set aside.

Thereafter VIL filed an appeal before the Hon'ble Supreme Court against the TDSAT judgement. On March 16, 2020, Hon'ble Supreme Court dismissed the petition filed by the Company challenging the levy of OTSC beyond 6.2 MHz. Following the dismissal of the Company's appeal by the Hon'ble Supreme Court on March 16, 2020, the Company is yet to receive any demand from DoT in line with the TDSAT order. VIL proceedings before the BHC in respect of Idea Cellular Limited remains pending. In July 2020, DoT had filed an appeal against the TDSAT judgement and sought stay on the impugned judgement. Subsequently as per court directive, the Company also filed its reply against DoT appeal, which is currently pending with Hon'ble Supreme Court.

The Company, on prudence basis, has recognized a charge for spectrum holding beyond 6.2 Mhz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given for OTSC in line with the M&A guidelines at the time of merger. Accordingly, an amount of ₹ 5,027 Mn (March 31, 2020: ₹ 38,871 Mn) has been recognised as exceptional items.

vi) On September 15, 2020, YBIL had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of YSIPL, a wholly owned subsidiary of YBIL, with YBIL with an appointed date of April 1, 2020. During the year, the requisite approvals were received and the merger became effective on March 15, 2021 on filing the certified copies of the orders sanctioning the scheme with the Registrar of Companies (RoC). This transaction has no impact on the consolidated financial statements.

vii) The Department of Telecommunications (DoT) conducted auctions for frequency blocks in the 900 and 1800 MHz spectrum bands in March 2021. The Company successfully bid for its spectrum requirements at a total cost of ₹ 19,934 Mn as under:

- 5.8 MHz of 900 MHz spectrum in 2 service areas of Tamilnadu and West Bengal
- 6 MHz of 1800 MHz spectrum in 3 service areas of Karnataka, Uttar Pradesh (East) and Uttar Pradesh (West)

The validity of the above spectrum is for a 20 year period starting from the effective date as mentioned in the Frequency Assignment Letter for respective service areas. As on the Balance Sheet date, the Company had not received the frequency assignment letter from DoT. As per the payment options available, the Company has chosen the deferred payment option. The upfront payment amount of ₹ 5,747 Mn under the deferred payment option was paid on March 18, 2021, the due date for payment.

NOTES

forming part of the Financial Statements

The amount of ₹ 5,747 Mn paid towards the upfront payment for the unassigned spectrum is included in Capital Advances and the deferred payment obligation of ₹ 14,187 Mn along with accrued interest of ₹ 37 Mn is disclosed under Capital Commitments.

- viii) The Implementation Agreement entered between the parties define a settlement mechanism between the Company and the promoters of erstwhile ViInL for any cash inflow/outflow that could possibly arise to/by the company towards settlement of certain outstanding disputes pertaining to the period until May 31, 2018. As at March 31, 2020, the Company had recognized settlement assets amounting to ₹ 83,687 Mn being capped basis Implementation Agreement. The settlement of such assets recognized was to happen periodically based on cash inflow/outflow incurred as defined in the Agreement starting from June 2020 but not beyond June 2025. During current year, the Company has received ₹ 19,748 Mn as part of settlement due for June 2020. The balance of ₹ 63,939 Mn as at March 31, 2021 is subject to further cash inflows / outflows incurred till next settlement period falling in financial year 2022-23 and hence classified as non-current financial assets. In the event such disputed matters do not finally result in cash inflows/outflows to/by the company up to June 2025, there would be no settlement to/from the erstwhile ViInL promoters by/ to the Company. The settlement between the Company and ViInL promoters for any cash outflow that could possibly arise shall be subject to requisite approvals, if any, which would be evaluated/obtained at the time of actual settlement if any, to ViInL promoters.
- ix) On November 5, 2020, the Group has entered into a Memorandum of Understanding (MoU) with a prospective buyer for assignment of leasehold rights of land situated at Mahape. Accordingly, the Group has reclassified such leasehold land from Investment Property to Assets Held for Sale effective November 5, 2020 and stopped depreciation effective such date. As the carrying value of the asset is less than the fair value less cost to sell, no further adjustments are required to the carrying value of the asset as at March 31, 2021. The transaction is subject to conditions mentioned in MoU and expected to be completed in financial year 2021-2022.
- x) The company unveiled a new integrated brand identity Vi! on September 4, 2020. As a result, with the expected increased usage of Vi, the utility of its existing intangible asset of Vodafone brand is expected to decline over the contractual useful life of the asset as a result of gradual diminution in company's inclination on developing & maintaining the existing Vodafone Marks, though Vi! continues to have the right to use it over its remaining life. Accordingly, the company has carried out an impairment assessment as well as re-estimated the useful economic life of its intangible asset of Vodafone brand as at the integrated brand launch date.

As per the assessment, the carrying value of the intangible asset stands at ₹ 15,039 Mn as at the integrated brand launch date. The value has been determined using Relief from Royalty method applying a royalty rate to the royalty base to estimate the royalty payments over the remaining life of the asset. Royalty base represents revenue attributable to Vodafone Marks over the remaining life of the asset.

As a result of this analysis, an impairment charge of ₹ 7,246 Mn has been recognized as exceptional item.

Key assumptions used in value-in-use calculations:

- Revenue CAGR considered for royalty base: Based on the estimated growth rate over the five-year budget period for the Company and thereafter based on terminal growth rate of 5%
- Royalty rate: Pre-tax Royalty rate charged for use of brand in India
- Discount rate: Based on the risk-free rate for a ten-year Government bonds benchmark yields as on the valuation date adjusted for risk premium to reflect both the increased risk of investing in equities and the systematic risk of Vi!. In making this adjustment, inputs required are the equity market risk premium and the risk adjustment beta applied to reflect the risk of the specific operating company relative to the market as a whole. Discount rate considered for determining the value is 13.1%.

NOTE 44 : CAPITAL AND OTHER COMMITMENTS

Estimated amount of commitments are as follows:

- Spectrum won in auctions and not assigned to the Company as on the balance sheet date ₹ 14,224 Mn (March 31, 2020: ₹ Nil (refer note 43(vii))).
- Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 26,647 Mn (March 31, 2020: ₹ 27,289 Mn).
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 41,151 Mn (March 31, 2020: ₹ 40,454 Mn).

NOTES

forming part of the Financial Statements

NOTE 45 : CONTINGENT LIABILITIES NOT PROVIDED FOR

A) Licensing Disputes:

- i. OTSC (Less than 4.4 MHz) - ₹ 38,570 Mn (March 31, 2020: ₹ 38,570 Mn):

In FY 2015-16 erstwhile VMSL received demands from DoT towards One time spectrum charges for less than 4.4 MHz pursuant to the transfer of licenses of certain subsidiaries amounting to ₹ 33,495 Mn. The Company believes the charges levied by DoT are not tenable, since the merger guidelines are not applicable considering that the said merger did not involve any intra-circle merger and did not result in increase in spectrum holding of the Company. The Demand is challenged and remains sub-judice at TDSAT.

Also, in FY 2015-16, erstwhile VMSL received demand from DoT towards extension of license of Tamil Nadu circle for making it co-terminus with license of Chennai circle amounting to ₹ 5,075 Mn. The Company believes the charges levied by DoT are not tenable, considering the merger of licenses is as per the guidelines issued by DoT in 2005 and as such does not get covered under as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014. The Demand is challenged and remains sub-judice at TDSAT.

- ii. Other Licensing Disputes - ₹ 70,648 Mn (March 31, 2020: ₹ 25,248 Mn):

- Additional demands towards AGR dues for which the company has written to DoT requesting corrections of certain computational errors, admissible pass-through not considered based on the principles laid down in the AGR judgement (refer note 3).
- Disputes relating to alleged non-compliance of licensing conditions & other disputes with DoT (including those towards CAF Audit and EMF), either filed by or against the Company and pending before Hon'ble Supreme Court / TDSAT.
- Demands on account of alleged violations in license conditions relating to amalgamation of erstwhile Spice Communications Limited currently sub-judice before the Hon'ble TDSAT.
- Demand with respect to upfront spectrum amounts for continuation of services from February 2, 2012 till various dates in the service areas where the licenses were quashed following the Hon'ble Supreme Court Order.

In October 2015, DoT issued interim guidelines, wherein Microwave Spectrum held by expired /expiring licenses was declared as being held on a provisional basis subject to final outcome of DoT's decision on recommendation by TRAI on the allocation and pricing of Microwave Spectrum. The interim guidelines issued by DoT are not in line with the understanding provided during the earlier auctions as part of Notice Inviting Application (NIA) for the spectrum auction. Basis the interim guidelines, DoT has instructed the Company to provide an undertaking that the pricing and allocation decisions of DoT would be considered final in this respect. The Company has not provided the said undertaking or signed the agreement being against the express and binding confirmations under NIA. Further TDSAT vide its order dated March 13, 2019 set aside the Impugned guidelines and stated 2006 rates hold to be valid, which should be applied from future date as and when notified by DoT as per the judgment. The Hon'ble Supreme Court vide its order dated November 8, 2019 stayed the TDSAT order and directed the Company to furnish bank guarantee till the next date of hearing. Accordingly, the implication of the said order is not considered in the financial statement.

B) Other Matters not acknowledged as debt

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Income tax matters (see note i below)	14,208	13,895
Sales tax and entertainment tax matters (see note ii below)	2,158	1,925
Service tax/Goods and Service Tax(GST) matters (see note iii below)	16,951	16,648
Entry tax and customs matters (see note iv below)	5,247	4,845
Other claims (see note v below)	23,690	15,767
Total	62,254	53,080

- i. Income Tax Matters (including Tax deducted at source)

- Appeals filed by the Group against the demands raised by the Income Tax Authorities relates to disputes on non-applicability of tax deductions at source on prepaid margin allowed to prepaid distributors, disputes relating to denial of tax holiday benefit from certain business receipts etc.

The above matters contested by the Group are pending at various appellate authorities against the tax authorities.

NOTES

forming part of the Financial Statements

- ii. Sales Tax and Entertainment Tax
- Sales Tax demands mainly relates to the demands raised by the VAT/Sales Tax authorities of few states on Broadband Connectivity, SIM cards etc. on which the Group has already paid Service Tax.
 - Demand of tax for non-submission of Declaration forms viz. C forms & F forms in stipulated time limit.
 - In one state entertainment tax is being demanded on revenue from value added services.
- iii. Service Tax/ Goods and Service Tax (GST)
- Service Tax / GST demands mainly relates to the following matters:
- Denial of Cenvat credit related to Towers and Shelters.
 - Disallowance of Cenvat Credit on input services viewed as ineligible credit.
 - Demand of service tax on SMS termination charges, Demand of service tax on reversal of input credit on various matters including on removal of passive infrastructure.
- iv. Entry Tax and Customs
- Entry Tax disputes pertains to classification / valuation of goods.
 - Demand of customs duty/anti-dumping duty on dispute relating to classification issue. The Group has challenged these demands which are pending at various forums.
- v. Other claims not acknowledged as debts
- Mainly include consumer forum cases, disputed matters with local Municipal Corporation, Regional Provident Fund Commission and other miscellaneous sub-judiced disputes.
 - Disputes with the Electricity Boards on matters relating to classification of Mobility Towers into Industrial v/s Commercial. The future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions from such forums/authorities. Further, based on the Group's evaluation, it believes that it is not probable that the claims will materialise and therefore, no provision has been recognised for the above.

NOTE 46 : COSTS TO OBTAIN OR FULFIL A CONTRACT WITH A CUSTOMER

The Company incurs certain costs to obtain or fulfil contracts with customers. During the current year, effective October 1, 2020 the Company, based on its updated estimate of the average customer life, has deferred subscriber acquisition cost of ₹ 8,773 Mn in accordance with its policy. Such cost will be amortized over the average expected customer relationship period. The financial impact of this change has resulted in decrease of the Company's loss before and after tax by ₹ 8,028 Mn for the year ended March 31, 2021.

Particulars	₹ Mn
	For the year ended March 31, 2021
Costs to obtain a contract with the customer	
Opening Balance	-
Costs incurred	8,773
Less: Cost amortized	(745)
Closing balance	8,028
Current	2,862
Non-current	5,166

NOTES

forming part of the Financial Statements

NOTE 47 : LEASES

Operating Lease

(a) Group as lessee

The Group has adopted the Ind AS 116 from April 1, 2019 which supersedes the Ind AS 17. The effect of adopting Ind AS 116 as on the transition date is as follows:

Impact on consolidated balance sheet (Increase / (Decrease))

₹ Mn

Particular	April 1, 2019
Assets	
Right-of-Use assets (refer note 7)	245,927
Property, plant and equipment (refer note 7)	(5,148)
Other Intangible assets (refer note 9)	(18,586)
Deferred tax assets (net) (refer note 55)	17,677
Other current assets	(852)
Total assets	239,018
Equity	
Other equity (refer note 23)	(44,649)
Total equity	(44,649)
Liabilities	
Lease Liabilities	284,335
Trade payables	(668)
Total liabilities	283,667

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Land & Building	Cell sites	IRU	Others	Total
As at April 1, 2019	14,364	207,049	-	-	221,413
Reclassification to RoU assets	1,353	-	18,585	4,576	24,514
Restated balance as at April 1, 2019	15,717	207,049	18,585	4,576	245,927
Additions ⁽¹⁾	888	27,281	4,884	445	33,498
Deletions/Adjustments ⁽²⁾	(177)	(10,928)	(240)	(29)	(11,374)
Depreciation expenses	(3,756)	(56,887)	(2,060)	(1,609)	(64,312)
As at March 31, 2020	12,672	166,515	21,169	3,383	203,739
Additions ⁽¹⁾	2,308	26,463	3,568	-	32,339
Deletions/Adjustments ⁽²⁾	(1,136)	(5,585)	(7)	(2)	(6,730)
Depreciation expenses	(3,408)	(54,933)	(2,199)	(1,322)	(61,862)
As at March 31, 2021	10,436	132,460	22,531	2,059	167,486

⁽¹⁾Additions includes addition of new leases, modification to existing lease in form of lease extension or restriction.

⁽²⁾Includes reversal of ₹ 536 Mn (March 31, 2020: charge of ₹ 4,020 Mn) on accelerated depreciation on account of network re-alignment.

NOTES

forming part of the Financial Statements

Set out below are the carrying amounts of lease liabilities (included under lease liabilities) and the movements during the year:

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Opening	268,792	284,335
Additions	32,272	33,218
Accretion of interest	20,806	26,152
Payments	(95,555)	(65,940)
Deletion	(12,216)	(8,973)
Closing	214,099	268,792
Current	104,555	104,514
Non-current	109,544	164,278

The maturity analysis of lease liabilities is disclosed in note 59.

The following are the amounts recognized in statement of profit and loss:

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the Year ended March 31, 2020
Depreciation	61,862	64,312
Interest expense on lease liabilities	20,806	26,152
Exceptional Items (net)	(1,696)	(2,172)
Total amount recognized in profit and loss	80,972	88,292

(b) Group as lessor

The Group has leased certain Optical Fibre Cables pairs (OFC) on Indefeasible Rights of Use ("IRU") basis under operating lease arrangements. The Group recognised revenue from operating lease of ₹ 356 Mn. (March 31, 2020: ₹ 375 Mn).

NOTE 48 : DETAILS OF FOREIGN CURRENCY EXPOSURES

a. Hedged by a Derivative Instrument

Particulars	Amount in Mn	
	As at March 31, 2021	As at March 31, 2020
Foreign Currency Loan		
Foreign Currency Loan in USD	86	136
Equivalent INR of Foreign Currency Loan ⁽¹⁾	6,703	9,950
Trade Payables and Other financial liability		
Trade Payables and Other financial liability in USD	54	87
Interest accrued but not due on Foreign Currency Loans in USD	-*	1
Equivalent INR of Trade Payables and Other financial liability ⁽¹⁾	4,070	6,576

⁽¹⁾Amount in INR represents conversion at hedged rate.

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

NOTES

forming part of the Financial Statements

b. Not hedged by a Derivative Instrument or otherwise

Particulars	Amount in Mn	
	As at March 31, 2021	As at March 31, 2020
Foreign Currency Loan		
Foreign Currency Loan in USD	149	236
Equivalent INR of Foreign Currency Loan ⁽¹⁾	10,976	17,757
Trade Payables and Other financial liability		
In USD	720	801
In EURO	153	132
In GBP	15	8
In Other Currency	-*	-*
Equivalent INR of Trade Payables and other financial liability in Foreign Currency ⁽¹⁾	67,595	72,035
Trade Receivables		
In USD	74	82
In EURO	-*	1
In GBP	3	7
Balances with banks-In current accounts in USD	1	1
Equivalent INR of Trade Receivables and bank balances in Foreign Currency ⁽¹⁾	5,850	6,957

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

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

NOTE 49 : MOVEMENT OF ALLOWANCES FOR DOUBTFUL DEBTS/ADVANCES

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	15,183	16,912
Charged to Exceptional items (refer Note 42)	-	231
Charged to Statement of Profit and Loss (Net) (refer Note 40)	(437)	(1,960)
Closing Balance	14,746	15,183

NOTE 50 : ASSET RETIREMENT OBLIGATION

The Group installs equipment's on leased premises to provide seamless connectivity to its customers. In certain cases, the Group may have to incur some cost to remove such equipment's on leased premises. Estimated costs to be incurred for restoration is capitalised along with the assets. The movement of provision as required in Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" is given below:

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	169	143
Unwinding of discount	9	27
Utilisation	(14)	(1)
Closing Balance	164	169
Current	98	46
Non-current	66	123

NOTES

forming part of the Financial Statements

NOTE 51 : SEGMENT INFORMATION

The Chief Operating Decision maker primarily focusses on Mobility business in making decisions on operating matters and on allocating resources in evaluating performance. Accordingly, the Group operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segment.

NOTE 52 : SHARE BASED PAYMENTS

a) Employee stock option plan - options granted by Vodafone Idea Limited

The Group has granted stock options under the employee stock option scheme (ESOS) 2006 and stock options as well as restricted stock units (RSU's) under ESOS 2013 to the eligible employees of the Company and its subsidiaries from time to time. These options, subject to fulfilment of vesting conditions, would vest in 4 equal annual instalments after one year of the grant and the RSU's will vest after 3 years from the date of grant. The maximum period for exercise of options and RSU's is 5 years from the date of vesting. Each option and RSU when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the Company. The options granted under ESOS 2006 and options as well as RSUs granted under the ESOS 2013 scheme carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the options/RSU's during the year ended March 31, 2021 and March 31, 2020. During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOS 2013. In the current year, ₹ 295 Mn (March 31, 2020: ₹ Nil) is adjusted against Retained earnings in respect of cancellation/expiration of vested stock option.

As at year ended March 31, 2021 and March 31, 2020, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
i) Options granted under ESOS 2006				
Options outstanding at the beginning of the year	-	-	177,626	68.86
Options cancelled during the year	-	-	8,063	68.86
Options expired during the year	-	-	169,563	68.86
Options outstanding at the end of the year	-	-	-	-
Options exercisable at the end of the year	-	-	-	-
Range of exercise price of outstanding options (₹)		-		-
Remaining contractual life of outstanding options (months)		-		-
ii) Options granted under ESOS 2013				
Options outstanding at the beginning of the year	8,440,553	126.41	12,524,154	126.46
Options cancelled during the year	604,868	128.10	600,438	127.23
Options expired during the year	3,657,609	127.08	3,483,163	126.45
Options outstanding at the end of the year	4,178,076	125.58	8,440,553	126.41
Options exercisable at the end of the year	4,178,076	125.58	8,349,538	126.59
Range of exercise price of outstanding options (₹)	110.45 - 150.10		110.45 - 150.10	
Remaining contractual life of outstanding options (months)	18		24	

NOTES

forming part of the Financial Statements

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
iii) RSU's granted under ESOS 2013				
RSU's outstanding at the beginning of the year	1,283,659	10.00	1,295,020	10.00
RSU's exercised during the year	-	-	-	-
RSU's cancelled during the year	244,647	10.00	11,361	10.00
RSU's outstanding at the end of the year	1,039,012	10.00	1,283,659	10.00
RSU's exercisable at the end of the year	1,039,012	10.00	1,283,659	10.00
Range of exercise price of outstanding RSU's (₹)	10.00		10.00	
Remaining contractual life of outstanding RSU's (months)	21		31	

The fair value of each option and RSU is estimated on the date of grant / re-pricing based on the following assumptions:

Particulars	ESOS 2006					
	On the date of Grant				On the date of re-pricing	
	Tranche I (31/12/07)	Tranche II (24/07/08)	Tranche III (22/12/09)	Tranche IV (24/01/11)	Tranche I (21/12/09)	Tranche II (21/12/09)
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	4 yrs 6 months	5 yrs 9 months
Risk free interest rate (%)	7.78	7.5	7.36	8.04-8.14	7.36	7.36
Volatility (%)	40	45.8	54.54	50.45	54.54	54.54
Market price on date of grant/ re-pricing (₹)	131.3	91.95	57.55	68.86	57.05	57.05
Fair Value ⁽¹⁾	68.99	48.25	31.34	37.47	18.42	10.57

⁽¹⁾As on the date of transition from IGAAP to Ind AS on April 1, 2015, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	Options ESOS 2013			
	Tranche I (11/02/14)	Tranche II (29/12/14)	Tranche III (21/1/16)	Tranche IV (11/2/17)
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months
Risk free interest rate (%)	8.81 - 8.95	8.04 - 8.06	7.42 - 7.66	6.68 - 7.03
Volatility (%)	34.13-44.81	34.28-42.65	34.24-35.33	36.37-38.87
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	60.51 [^]	66.27	48.97	46.39

[^]As on the date of transition from IGAAP to Ind AS on April 1, 2015, first instalment of the grant were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

NOTES

forming part of the Financial Statements

Particulars	RSU's ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.91	8.05	7.60	6.94
Volatility (%)	43.95	35.66	34.24	37.21
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	118.70	140.41	107.71	100.40

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

b) Employee stock option plan – options granted by Vodafone Group Plc

i. Global Long Term Incentive (“GLTI”):

GLTI is a restricted share plan granted to incentivise delivery of sustained performance over the long term plan to selected employees of the Group. In addition to the 3 years vesting conditions, options of certain schemes would depend on achievement of the performance conditions of the Group and Vodafone Group Plc. The plans are administered by Vodafone Group Plc. and the information disclosed is to the extent available.

ii. 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.

iii. Vodafone Global Incentive Plan (“VGIP”):

VGIP is a restricted plan granted as an investment plan to senior management. These options vest in 3 years after the grant date provided the employee remains in the continued employment of the Group during the vesting period. The vesting of these options were subject to satisfaction of performance conditions of the Group and Vodafone Group Plc. and market based condition, based on total shareholder return (TSR), which is taken into account when calculating the fair value of share awards. The valuation for the TSR is based on Vodafone's ranking within the same group of companies, where possible over the past five years.

As at year ended March 31, 2021 and March 31, 2020, details and movements of the outstanding options are as follows:

Particulars	As at	As at
	March 31, 2021	March 31, 2020
i) Options granted under GLTI / GLTR	No. of Options	No. of Options
Options outstanding at the beginning of the year	3,150,236	12,288,698
Options granted during the year	14,921	344,048
Options forfeited during the year	584,706	667,580
Options cancelled during the year ⁽¹⁾	-	4,186,005
Options exercised during the year	2,308,860	4,628,925
Options outstanding at the end of the year	271,591	3,150,236
Options exercisable at the end of the year	271,591	3,150,236
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	5	5

NOTES

forming part of the Financial Statements

Particulars	As at March 31, 2021	As at March 31, 2020
ii) Options granted under VGIP		
Options outstanding at the beginning of the year	875,693	1,702,228
Options forfeited during the year	435,902	495,427
Options exercised during the year	439,791	331,108
Options outstanding at the end of the year	-	875,693
Options exercisable at the end of the year	-	875,693
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	-	4

⁽¹⁾Options cancelled and replaced with LTIP scheme.

The exercise price is Nil and hence the weighed average exercise price is not disclosed. Liability at the end of year ended March 31, 2021 is ₹ 30 Mn (March 31, 2020 is ₹ 375 Mn).

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 on the date of grant (₹)
GLTI / GLTR	30/06/16	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	196	196
	17/02/17	3 years continuous employment for GLTR	166	166
	26/06/17	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	183	183
	17/11/17	1.6 Years continuous employment for GLTR	197	192
	16/02/18	2 years to 2.4 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	179	179
	26/06/18	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	166	166
	26/06/19	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	110	110
	26/06/20	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	117	116
VGIP	30/06/16 ⁽¹⁾	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	196	151
	04/08/17 ⁽²⁾	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	91
	04/08/17	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	188

⁽¹⁾Vesting percentage: 77.20%

⁽²⁾Vesting percentage: 48.30%

NOTES

forming part of the Financial Statements

NOTE 53 : EMPLOYEE BENEFITS

A. Defined Benefit Plan (Gratuity)

General description and benefits of the plan

The respective companies in the Group operate a defined benefit final salary gratuity plan through a trust. 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 Group.

Regulatory framework, funding arrangement and governance of the Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Group and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Group is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Group's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-a-vis settlements. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

Inherent risks

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

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

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Amount recognised in Balance Sheet		
Present value of obligations as at the end of the year	2,703	2,087
Fair value of plan assets as at the end of the year	2,375	379
Net Funded Obligation	328	1,708
Present value of unfunded obligations	112	1,369
Net Asset/(Liability) recognised in Balance Sheet	(440)	(3,077)
Net Asset/(Liability) recognised in Balance Sheet is bifurcated as		
- Long term provision	(211)	(2,751)
- Short term provision	(229)	(326)

Sr. No	Particulars	₹ Mn	
		For the year ended March 31, 2021	For the year ended March 31, 2020
1	Reconciliation of Net Defined Benefit Obligation		
	Opening Net Defined Benefit liability/(asset)	3,077	2,543
	Expense charged to statement of profit & loss	565	575
	Income credited to OCI	(374)	281
	Employer contributions	(2,767)	(9)
	Benefits Paid	(61)	(294)
	Liabilities assumed/(settled) ⁽¹⁾	-	(24)
	Impact of Divestiture	-	5
	Closing Net Defined Benefit liability/(asset)	440	3,077

NOTES

forming part of the Financial Statements

₹ Mn

Sr. No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
2	Reconciliation of Defined Benefit Obligation		
	Opening Defined Benefit Obligation	3,456	3,220
	Current Service cost	371	396
	Interest on Defined Benefit Obligation	227	227
	Actuarial (Gain)/Loss arising from change in financial assumptions	21	226
	Actuarial (Gain)/Loss arising from change in demographic assumptions	1	5
	Actuarial (Gain)/Loss arising on account of experience changes	(272)	44
	Benefits paid	(989)	(638)
	Liabilities assumed/(settled) ⁽¹⁾	-	(24)
	Liabilities transferred on account of Divestiture	-	-
	Closing Defined Benefit Obligation	2,815	3,456
3	Reconciliation of Plan Assets		
	Opening fair value of plan assets	379	678
	Employer contributions	2,767	9
	Interest on plan assets	33	48
	Re measurements due to		
	- Actual return on plan assets less interest on plan assets	124	(6)
	Benefits paid	(928)	(345)
	Assets transferred on account of Divestiture	-	(5)
	Closing fair value of plan assets	2,375	379

⁽¹⁾On account of inter group transfer.**Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:**

₹ Mn

Sr. No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Expenses Recognised in the Statement of Profit & Loss		
	Current Service cost	371	396
	Interest on Net Defined Benefit liability/(asset)	194	179
	Expenses recognised in the Statement of Profit & Loss	565	575
2	Amount recorded as Other Comprehensive Income (OCI)		
	Re measurement during the year due to		
	- Changes in financial assumptions	21	226
	- Changes in demographic assumptions	1	5
	- Experience adjustments	(272)	44
	- Return on plan assets (excluding amounts included in net interest expense)	(124)	6
	Remeasurement (gain)/loss recognised in OCI	(374)	281

NOTES

forming part of the Financial Statements

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

Particulars	For the year ended March 31, 2021	For the year ended 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 years & above - 8%
Mortality rate during employment	As per Indian Assured Lives Mortality (2012-14) Table	As per Indian Assured Lives Mortality (2012-2014) 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	(3.69%)	3.82%	(3.88%)	4.02%
Impact of decrease in 50 bps on DBO	3.95%	(3.61%)	4.16%	(3.80%)

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.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within the next 12 months	220	320

Disaggregation details of plan assets (% allocation):

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Insurer Managed Funds ⁽¹⁾	2,375	370
Bank balances	-	9

⁽¹⁾The funds are managed by Insurers and they do not provide breakup of plan assets by investment type.

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	For the year ended March 31, 2021	For the year ended March 31, 2020
Expected benefits for year 1	411	328
Expected benefits for year 2	235	297
Expected benefits for year 3	227	283
Expected benefits for year 4	201	264
Expected benefits for year 5 and above	2,928	3,766

The average duration of the defined benefit plan obligation at the end of the reporting year is 6.92 years - 8.32 years (March 31, 2020: 7.02 years - 10.97 years).

NOTES

forming part of the Financial Statements

B. Defined contribution plans:

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss: ₹ Mn

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employers' contribution to provident and other fund	793	916
Employers' contribution to superannuation fund	65	84

- C. The Company operates its gratuity superannuation plan through separate trust which is administered and managed by the Trustees. As on March 31, 2021 and March 31, 2020, the contribution towards the plans have been invested in Insurer Managed funds and bank balance.

NOTE 54 : 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	25	4
Adjustments for tax of prior periods ⁽¹⁾	(205)	-
Total Current Tax Expense (A)	(180)	4
Deferred Tax		
Relating to addition & reversal of temporary differences	(23)	120,807
Relating to derecognition of tax credits	-	-
Relating to change in tax rate	-	-
Total Deferred Tax Expense (B)	(23)	120,807
Total Tax Expense (A+B)	(203)	120,811
Income tax effect of re-measurement gains on defined benefit plans taken to other comprehensive income	(4)	193

⁽¹⁾During the financial year 2020-21, the Company has opted for Vivad Se Vishwas (VsV) Scheme to settle some of its long pending litigations pertaining to Corporate tax and TDS related matters. Accordingly, write back of excess tax provision/write off amounts of ₹ 208 Mn (net) have been considered where settlement has been agreed and Form 3/5 has been issued by the Department for such VsV applications.

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
Loss before income tax expense	(442,534)	(617,970)
Applicable Tax Rate	34.94%	34.94%
Increase / reduction in taxes on account of:		
Effect of unrecognised business loss including reversal of previously recognised DTA on business losses	-43.36%	-55.57%
Effect of share of profits in JV / Associates	0.09%	0.20%
Effects of expenses / income that are not deductible / considered in determining the taxable profits	9.31%	-0.08%
Effect of transfer of fibre undertaking	0.00%	0.93%
Effect of different tax rate	0.00%	-0.05%
Effect of undistributed retained earnings of JV	0.00%	0.08%
Other Items	-0.94%	0.00%
Effective Tax Rate	0.05%	-19.55%

NOTES

forming part of the Financial Statements

- (c) During the previous year, the group had reassessed recognition of deferred tax assets on carry forward losses, unabsorbed depreciation and MAT credit based on its revised business plan and de-recognised the deferred tax assets of ₹ 120,807 Mn (including DTA recognised on transition of Ind AS 116).
- (d) The Group has not recognized deferred tax assets in respect of certain carried forward tax losses/capital losses/temporary differences of ₹ 1,595,305 Mn as of March 31, 2021 (March 31, 2020: ₹ 1,043,561 Mn). The aforesaid tax losses and unabsorbed depreciation will lapse in the subsequent years as follows:

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Within 0-5 years	-	-
From 5-10 years	802,103	464,524
Unlimited	793,202	579,037
Total	1,595,305	1,043,561

The Group has also not recognised deferred tax on MAT credit of ₹ 25,699 Mn, of which ₹ 3,496 Mn is expiring within 0-5 years, ₹ 22,203 Mn is expiring within 5-10 years. During the year ended March 31, 2020, the Group had not recognised deferred tax on MAT credit of ₹ 25,699 Mn, of which ₹ 2,631 Mn is expiring within 0-5 years, ₹ 15,563 Mn is expiring within 5-10 years and ₹ 7,504 Mn is expiring beyond 10 years.

NOTE 55 : MOVEMENT IN DEFERRED TAX

Particulars	₹ Mn								
	As at April 1, 2019	Recognised in			As at March 31, 2020	Recognised in			As at March 31, 2021
		Profit and Loss	OCI	Other Equity		Profit and Loss	OCI	Other Equity	
Liabilities									
Depreciation & Amortisation (including RoU Assets)	167,699	(26,619)	-	77,533	218,613	(29,576)	-	-	189,037
Effects of remeasuring financial instruments under Ind AS	409	2,449	-	-	2,858	(105)	-	-	2,753
Undistributed retained earning of JV	471	(471)	-	-	-	-	-	-	-
Others	120	(120)	-	-	-	-	-	-	-
Total (A)	168,699	(24,761)	-	77,533	221,471	(29,681)	-	-	191,790
Assets									
Tax Losses	249,671	(128,278)	-	(4,332)	117,061	(10,427)	-	-	106,634
Expenses allowable on Payment Basis	7,806	(3,070)	193	-	4,929	(2,465)	(4)	-	2,460
Provisions for doubtful debts/ advances (including lease liability)	13,728	(13,885)	-	99,251	99,094	(16,648)	-	-	82,446
Others	413	(335)	-	291	369	(118)	-	-	251
Total (B)	271,618	(145,568)	193	95,210	221,453	(29,658)	(4)	-	191,791
Net Deferred Tax Liabilities/ (assets) (A-B)	(102,919)	120,807	(193)	(17,677)	18	(23)	4	-	(1)
As per Financials :									
Deferred Tax Asset	103,385	-	-	-	20	-	-	-	23
Deferred Tax Liabilities	471	-	-	-	38	-	-	-	22

NOTES

forming part of the Financial Statements

NOTE 56 : BASIC & DILUTED EARNINGS / (LOSS) PER SHARE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Nominal value of per equity share (₹)	10/-	10/-
Profit/(Loss) after Tax ⁽¹⁾ (₹ Mn)	(442,447)	(739,049)
Profit/(Loss) attributable to equity shareholders ⁽¹⁾ (₹ Mn)	(442,447)	(739,049)
Weighted average number of equity shares outstanding during the period	28,735,389,240	27,115,334,543
Basic earnings per share (₹)	(15.40)	(27.26)
Dilutive effect on weighted average number of equity shares outstanding during the period	*	*
Weighted average number of diluted equity shares	28,735,389,240	27,115,334,543
Diluted earnings per share (₹)	(15.40)	(27.26)

⁽¹⁾ Adjusted for Group's share of additional depreciation debited to other equity by joint venture pursuant to scheme.

*As the Group has incurred loss, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

NOTE 57 : RELATED PARTY TRANSACTIONS

The related parties where control, joint control and significant influence exists are subsidiaries, joint venture and associates respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

Relationship	Related Party
Associate	Aditya Birla Idea Payments Bank Limited
Joint Venture (JV)	Indus Towers Limited (till November 18, 2020) ⁽²⁾
	Firefly Networks Limited
	Grasim Industries Limited
	Hindalco Industries Limited
	Euro Pacific Securities Limited
	Prime Metals Limited
	Mobilvest
	Vodafone Group PLC
	Vodafone Telecommunications (India) Limited
	Omega Telecom Holdings Private Limited
Promoter Group	Telecom Investment India Private Limited (merged with Omega Telecom Holdings Private Limited effective from July 4, 2020)
	Asian Telecommunications Investments (Mauritius) Limited
	Al-Amin Investments Limited
	Jaykay Finholding (India) Private Limited (merged with Omega Telecom Holdings Private Limited, effective from July 4, 2020)
	CCII (Mauritius) Inc
	Usha Martin Telematics Private Limited
	Pilani Investment And Industries Corporation Limited
	Elaine Investments PTE Limited
	Oriana Investments PTE Limited
	Birla TMT Holdings Private Limited
IGH Holdings Private Limited	
Trans Crystal Limited	

NOTES

forming part of the Financial Statements

Relationship	Related Party
	Aditya Birla PE Advisors Private Limited (formerly Aditya Birla Capital Advisors Private Limited)
	Aditya Birla Finance Limited
	Aditya Birla Capital Limited (formerly Aditya Birla Financial Services Limited)
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Health Insurance Company Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Management Corporation Private Limited (ABMCPL)
	Aditya Birla Money Limited
	Aditya Birla Money Mart Limited (ABMML)
	Aditya Birla Wellness Private Limited
	Aditya Birla Capital Technology Services Ltd [formerly Aditya Birla MyUniverse Limited (wholly owned subsidiary of Aditya Birla Capital Limited w.e.f. June 28, 2019)]
	Aditya Birla Renewables Limited
	Aditya Birla Science & Technology Company Private Limited
	Aditya Birla New Age Pvt Ltd
	Aditya Birla Power Composites Limited
	Birla Brothers Private Limited
	Birla Institute of Technology and Science Company
	Aditya Birla Sun Life AMC Limited (formerly Birla Sun Life Asset Management Company Limited)
	Aditya Birla Sun Life Insurance Company Limited (formerly Birla Sun Life Insurance Company Limited)
	Cable & Wireless Networks India Private Limited
	Cable & Wireless Worldwide Limited
	Cable and Wireless (India) Limited
	Emirates Cement Bangladesh Ltd., Bangladesh (ceased to be a subsidiary w.e.f December 02, 2019)
	Gotan Lime Stone Khanij Udyog Private Limited
	Harish Cement Limited
	Hindalco-Almex Aerospace Limited
	Indus Towers Limited (effective from November 19, 2020) ⁽²⁾
	Star Super Cement Industry LLC, UAE (formerly Binani Cement Factory LLC, UAE)
	Vodafone Global Network Limited
	Ultratech Cement Limited
	Vodafone Limited
	Vodafone Enterprise Global Limited
	Vodafone India Services Private Limited
	Vodafone Network Pty Limited
	Vodafone New Zealand Limited
	Vodafone International Services LLC
	Vodafone Libertel B.V.
	Vodafone Telekomunikasyon A.S
	Vodafone GmbH
	Vodafone Italia S.P.A.
	Vodafone Ireland Limited
	Vodafone Espana S.A.U.
	Vodacom (Pty) Limited
	Vodafone-Panafon Hellenic Telecommunications Company S.A.

Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]

NOTES

forming part of the Financial Statements

Relationship	Related Party
Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]	Vodafone Romania S.A
	Vodafone Magyarország (ZRT)
	Vodacom Lesotho (Pty) Limited
	Vodafone Albania Sh.A
	Vodafone Czech Republic A.S.
	Vodafone Enterprise Europe (UK) Limited
	Vodafone US Inc.
	Vodafone UK Foundation
	Safaricom PLC
	Vodafone Portugal Comunicacoes Pessoais, S.A.
	Vodafone Malta Limited
	Vodafone Net İletişim Hizmetleri A.Ş. (formerly Vodafone Alternatif Telekom Hizmetleri A.S.)
	Vodacom Tanzania PLC.
	Vodacom Congo (RDC) S.A.
	Ghana Telecommunications Company Limited
	Vodafone Group Services Limited (VGSL)
	Vodafone Global Services Private Limited
	VM, SA (Vodafone Mozambique)
	Vodafone Enterprise Singapore Pte.Ltd
	Vodafone Global Enterprise Limited
	Vodafone Roaming Services S.À R.L
	Vodafone Procurement Company S.À R.L
	Vodacom Group Limited
Cable & Wireless Global (India) Private Limited	
Key Management Personnel (KMP)	Mr. Kumar Mangalam Birla
	Mr. Akshaya Moondra
	Mr. Arun Thiagarajan
	Mr. Himanshu Kapania
	Mr. Balesh Sharma (ceased as CEO effective August 19,2019)
	Mr. Ravinder Takkar (Managing Director effective from August 19,2019)
	Smt. Neena Gupta
	Mr. Arun Adhikari
	Mr. Ashwani Windlass
	Mr. Krishnan Ramachandran
Others	Mr. Suresh Vaswani
	G.D Birla Medical Research & Education Foundation
	Svatantra Microfin Private Limited
Trust ⁽¹⁾	Mahan Coal Limited
	Vodafone Idea Limited Employees Group Gratuity Fund (formerly ICL Employee's Group Gratuity Scheme)
	Vodafone Idea Limited Employees Superannuation Scheme (formerly ICL Employee Superannuation Scheme)
	Vodafone Idea Manpower Services Limited Employees Group Gratuity Scheme (formerly Idea Cellular Services Limited Employee's Gratuity Scheme)
	Hutchison Max Telecom Limited Superannuation Fund

⁽¹⁾Transaction with trust includes contribution to provident fund, pension, gratuity and superannuation funds and refer note 53 for information on transaction with post-employment benefit plans mentioned above.

⁽²⁾Effective from November 19, 2020, Indus Towers Limited ("Indus") merged with and into Bharti Infratel Limited ("BIL"). The merged entity is thereafter named as Indus Towers Limited "Indus". Pursuant to this merger, the relationship of the Company with Indus has changed from Joint Venture (till November 18, 2020) to Entities having significant influence (from November 19, 2020).

NOTES

forming part of the Financial Statements

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

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter	Others
Sale of service	4	3,186	5	-	83	2
	(1)	(2,470)	(11)	-	(28)	-
Purchase of service	-	35,794 [^] #	51,508 [^]	-	-	-
	-*	(9,282) [#]	(80,093) [^]	-	-	-
Remuneration ⁽¹⁾	-	-	-	67	-	-
	-	-	-	(90)	-	-
Director's sitting fees paid	-	-	-	8	-	-
	-	-	-	(10)	-	-
Expense incurred on behalf of	-	52	-	-	-	-
	-	(130)	-	-	-	-
Expense incurred on company's behalf by	-	53	-	-	-	-
	-	(103)	-	-	-	-
Receipt of money towards Settlement Asset	-	-	-	-	19,748	-
	-	-	-	-	-	-
Proceeds of Right Issue	-	-	-	-	-	-
	-	-	-	(8)	(179,199)	-
Liquidation Expenses	-	-	-	-	-	-
	(98)	-	-	-	-	-
Insurance premium (including advance given)	-	67	-	-	-	-
	-	(197)	-	-	-	-
Dividend received	-	-	1,115	-	-	-
	-	-	-	-	-	-
Donations received	-	72	145	-	-	-
	-	(62)	(198)	-	-	-
Interest Income on loan given	-	-	1	-	-	-
	-	-	(1)	-	-	-

B. Balances with Related Parties

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter	Others
Trade and Other Receivables	7	2,206	-	-	15	1
	(1)	(1,336)	(9)	-	(8)	-
Trade and Other Payables	-	59,398	-	-	-	-
	(24)	(16,071)	(34,550)	-	-	-
Lease Liability (included in Other non-current financial liabilities and Other current financial liabilities)	-	104,514 [~]	-	-	-	-
	-	-	(120,559)	-	-	-

NOTES

forming part of the Financial Statements

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP Promoter	Others
Deposits Given	-	1,590	-	-	-
(included in Other Non-Financial Assets)	-	-	(1,000)	-	-
Other Current Assets	-	73	-	-	-
(included in Other Current Financial Assets)	-	(82)	-	-	-
Remuneration payable	-	-	-	15	-
	-	-	-	(2)	-
Prepaid Expenses	-	384	-	-	-
	-	-	(484)	-	-
Other receivable	-	348	-	-	-
	-	-	(1,224)	-	-
Outstanding loan receivable	-	-	8	-	-
	-	-	(8)	-	-

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

⁽¹⁾ Remuneration includes amounts towards LTIP and ESOP basis actual payment/exercise. There is no remuneration paid to Mr. Ravinder Takkar from VIL and neither any amount is charged back to the Company by any other entity towards his remuneration during the current year and previous period.

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

^Includes amounts accrued on account of onerous contract (Site Exits) involving invoicing and settlements over a 3 years period.

#The Company is one of the members of ABMCPL, a Company limited by guarantee, which has been formed to provide common pool of facilities and resources to its members with a view to optimise the benefits of specialisation and minimize cost to each member. The Company's share of expenses incurred under the common pool has been accounted for at actuals in the respective heads in the Consolidated Statement of Profit and Loss. Further, the Company had entered into a recharge agreement with ABMPCL pursuant to amalgamation of VMSL and VInL with the Company effective August 31, 2018 for availing such services. During the year, effective October 1, 2020, the Company has terminated the arrangement with ABMCPL. Purchase of Services includes the charge towards such Business Support Services for ABMCPL amounting to ₹ 656 Mn (March 31, 2020: ₹ 2,259 Mn).

Further, the Company had also entered into a recharge agreement with VGSL for Business Support services effective August 31, 2018. During the year, effective October 1, 2020, the Company has revised the arrangement with VGSL. Purchase of Services includes the charge towards such Business Support Services for VGSL amounting to ₹ 3,528 Mn (March 31, 2020: ₹ 5,395 Mn).

~Lease liability includes amount for services availed till March 31, 2021 and for services to be received in future which is payable over the lease period. The same has been created pursuant to adoption of Ind AS 116.

Note:

(i) Above excludes any cash inflow/outflow that could possibly arise from the settlement of certain outstanding disputes pertaining to the period until May 31, 2018 pursuant to the implementation agreement entered between the Company and VInL shareholders (refer note 43(viii)). The Company has recognised a settlement asset of ₹ 63,939 Mn as at March 31, 2021 (March 31, 2020: ₹ 83,687 Mn) towards the same.

(ii) With respect to options that have already exercised there is an outstanding liability of ₹ 1,150 Mn payable to entities having significant influence (March 31, 2020: ₹ 666 Mn).

(iii) During the year the Company has Contributed to Gratuity Fund amounting to ₹ 2,767 Mn (March 31, 2020: ₹ 9 Mn)

C. Commitments with Related Parties : ₹ Nil (March 31, 2020 : ₹ Nil)

NOTES

forming part of the Financial Statements

D. Compensation of Key Management Personnel of the Company

Particulars	₹ Mn	
	March 31, 2021	March 31, 2020
Short-term employee benefits	66	77
Post-employment benefits ⁽¹⁾	1	2
Share-based payment transactions	-	11

⁽¹⁾Represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

NOTE 58 : FINANCIAL INSTRUMENTS

a) Financial Instruments by Category: The following table provides categorisation of all financial instruments at carrying value except non-current investments in joint ventures and associate.

Particulars	₹ Mn			
	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Current Investments	-	-	4,548	-
Trade Receivables	-	25,070	-	30,943
Loans to joint venture and others	-	10	-	11
Cash and cash equivalents	-	3,503	-	3,708
Bank balance other than cash and cash equivalents	-	793	-	17,193
Margin Money Deposits ⁽¹⁾	-	22,532	-	8,367
Settlement assets ⁽¹⁾ (refer note 43(viii))	-	63,939	-	83,687
Deposit with Body Corporates, Government Authorities and Others ⁽¹⁾	-	9,895	-	15,672
Interest receivable ⁽¹⁾	-	343	-	1,146
Derivative Financial Assets ⁽¹⁾	-	-	822	-
Others ⁽¹⁾	-	599	-	1,525
Total Financial Assets	-	126,684	5,370	162,252

Particulars	₹ Mn			
	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities				
Fixed Rate loans from banks and others including Interest accrued but not due	-	88,794	-	121,301
Floating Rate loans from banks and others including Interest accrued but not due	-	144,969	-	157,288
Deferred Payment Obligations including interest accrued but not due	-	1,633,292	-	932,447
Trade Payables	-	134,025	-	124,332
Payables for Capital Expenditure ⁽²⁾	-	84,224	-	91,205
Accrual towards One Time Spectrum Charges (OTSC) (refer note 43(v))	-	43,898	-	38,871
Derivative Financial Liabilities ⁽²⁾	440	-	-	-
Security Deposits from Customers and Others ⁽²⁾	-	4,074	-	4,426
Lease liabilities ⁽²⁾	-	214,099	-	268,792
Others ⁽²⁾	3	-	4	-
Total Financial Liabilities	443	2,347,375	4	1,738,662

⁽¹⁾included in other current / non-current financial assets.

⁽²⁾included in other current / non-current financial liabilities.

NOTES

forming part of the Financial Statements

b) Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

i. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2021

				₹ Mn
Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current Investments	-	-	-	-
Derivative Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Derivative Financial Liabilities	-	440	-	440
Others	-	3	-	3
Total Financial Liabilities	-	443	-	443

ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2020

				₹ Mn
Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current Investments	4,548	-	-	4,548
Derivative Financial Assets	-	822	-	822
Total Financial Assets	4,548	822	-	5,370
Financial Liabilities				
Others	-	4	-	4
Total Financial Liabilities	-	4	-	4

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

- a) Financial Assets
- Trade Receivables
 - Loans
 - Cash and Cash equivalents
 - Bank balance other than cash and cash equivalents
 - Margin Money Deposits
 - Deposit with Body Corporates, Government Authorities and Others
 - Interest Receivable
 - Settlement assets
 - Others
- b) Financial Liabilities
- Floating Rate Borrowings including Interest accrued but not due
 - Trade Payables
 - Payable for capital expenditure
 - Accrual towards One Time Spectrum Charges
 - Security Deposits from Customers and Others
 - Lease Liabilities

NOTES

forming part of the Financial Statements

iv. Fair value hierarchy of financial liabilities measured at amortised cost is below:

Particulars	Carrying Amount	Level 1	Level 2	Level 3	₹ Mn
					Total
Fixed rate loans from banks and others including interest accrued but not due					
As at March 31, 2021	88,794	-	73,253	-	73,253
As at March 31, 2020	121,301	-	112,725	-	112,725
Deferred Payment Obligations including interest accrued but not due					
As at March 31, 2021	1,633,292	-	1,739,923	-	1,739,923
As at March 31, 2020	932,447	-	989,113	-	989,113

Valuation Technique used to determine fair value:

Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments such as forward, interest rate swap and cross currency swaps with various counterparties. The fair value of such derivatives instruments are determined using forward exchange rates, currency basis spreads between respective currencies and interest rate curves.

NOTE 59 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, derivative liabilities, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets comprise investments, cash and bank balance, trade and other receivables. The Group also enters into derivative transactions such as foreign forward exchange contracts, Interest rate and currency swaps as a part of Group's financial risk management policies. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Group is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Group's senior management comprising of a team of qualified finance professionals with appropriate skills and experience oversees management of these risks and provides assurance to the management that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activity for risk management purposes are carried by specialist team having appropriate skills and experience. The risks and measures to mitigate such risks is reviewed by the committee of Board of Directors periodically.

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, bank deposits, investments and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At March 31, 2021, after taking into account the effect of interest rate swaps, approximately 91.99% of the Group's borrowings are at a fixed rate of interest (March 31, 2020: 86.45%).

NOTES

forming part of the Financial Statements

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on profit before tax
₹ Mn		
March 31, 2021		
INR - Borrowings	+100	(1,271)
	-100	1,271
USD - Borrowings	+100	(173)
	-100	173
March 31, 2020		
INR - Borrowings	+100	(1,278)
	-100	1,278
USD - Borrowings	+100	(280)
	-100	280

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency), payables for capital expenditure denominated in foreign currency and foreign currency borrowing.

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

When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. The Group has major foreign currency risk in USD, EURO and GBP.

The Group hedged 6.93% (March 31, 2020: 9.83%) of its foreign currency trade payables and other financial liability in USD and 36.66% (March 31, 2020: 36.65%), of its foreign currency loans in USD. This foreign currency risk is hedged by using foreign currency forward contracts and cross currency rate swaps (refer note 48). However the Group has not hedged the foreign currency trade payables in EURO and GBP.

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 Group's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency exposure	Change in currency exchange rate	Effect on profit before tax
₹ Mn		
March 31, 2021		
USD	+5%	(2,922)
	-5%	2,922
EURO	+5%	(660)
	-5%	660
GBP	+5%	(58)
	-5%	58

NOTES

forming part of the Financial Statements

₹ Mn

Currency exposure	Change in currency exchange rate	Effect on profit before tax
March 31, 2020		
USD	+5%	(3,597)
	-5%	3,597
EURO	+5%	(543)
	-5%	543
GBP	+5%	(5)
	-5%	5

The derivatives have not been designated in a hedge relationship, they act as a hedge and will offset the underlying transactions when they occur.

c) Price risk

The Group invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

- Trade receivables

Customer credit risk is managed in accordance with the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 to 30 days' credit terms. Outstanding customer receivables are regularly monitored.

The Group follows a 'simplified approach' (i.e. based on lifetime Expected credit losses (ECL)) for recognition of impairment loss allowance on Trade receivables (including lease receivables). A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Group, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90/120 days from date of billing and b) for other trade receivables on account of Interconnect, Roaming, Fixed line Voice, Fibre infrastructure and data services etc. remaining unpaid beyond 180/365 days. Further, allowance is also recognised for cases indicating any specific trail of credit loss within the ageing brackets mentioned above. Individual trade receivables are written off when management deems them not to be collectible. Any subsequent recovery is recognized as Income in the Consolidated Statement of Profit and Loss. Refer Note 15 for the carrying amount of credit exposure as on the Consolidated Balance Sheet date.

- Other financial assets and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Group's Treasury Department periodically, and may be updated throughout the year. The limits are intended to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2021 and March 31, 2020 on its carrying amounts as disclosed in notes 11, 17, 18 and 19 except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instrument is noted in note 59 (e) and liquidity table below.

e) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group monitors its risk of a shortage of funds using a liquidity planning tool.

NOTES

forming part of the Financial Statements

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. As at March 31, 2021, approximately 7.96% of the Company's debt excluding interest will mature in less than one year, without considering reclassification into current maturity of debt due to covenant breach (March 31, 2020: 3.86%) based on the carrying value of borrowings reflected in the financial statements. Based on the past performance and future expectation, the Company believes that the existing cash balance along with cash generated from operations, working capital management, successful negotiations with lenders including re-financing of debts, acceptance of its request to defer the April 2022 instalment by DoT, clarity with respect to the AGR Judgement instalment amount in line with the modification application filed with the Hon'ble Supreme Court and available sources of raising funds (including monetisation of certain assets) as needed will satisfy its cash flow requirement associated with repayment of borrowings and other liabilities from its operation (refer note 4, 24(D) and 24(E)).

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

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
₹ Mn					
As at March 31, 2021					
Loans from bank and others and Interest thereon ⁽¹⁾	233,763	186,926*	75,095	5,208	267,229
Deferred Payment Obligations and Interest thereon ⁽²⁾	1,633,292	155,311^	952,552	1,583,180	2,691,043
Trade and other payables ⁽³⁾	262,147	249,078	15,028	-	264,106
Lease liabilities	214,099	116,280	118,734	17,476	252,490
Other financial liabilities ^{(1),(2)&(3)}	4,077	4,032	45	-	4,077
	2,347,378	711,627	1,161,454	1,605,864	3,478,945
Derivatives liabilities ⁽⁴⁾	440	434	6	-	440
Total	2,347,818	712,061	1,161,460	1,605,864	3,479,385
As at March 31, 2020					
Loans from bank and others and Interest thereon ⁽¹⁾	278,589	212,328*	99,827	-	312,155
Deferred Payment Obligations and Interest thereon ⁽²⁾	932,447	504	627,979	1,199,299	1,827,782
Trade and other payables ⁽³⁾	254,408	198,507	62,279	-	260,786
Lease liabilities	268,792	123,068	177,788	15,511	316,367
Other financial liabilities ^{(1),(2)&(3)}	4,430	4,384	46	-	4,430
	1,738,666	538,791	967,919	1,214,810	2,721,520
Derivatives assets ⁽⁴⁾	(822)	(691)	(131)	-	(822)
Total	1,737,844	538,100	967,788	1,214,810	2,720,698

*The Company has classified an amount of ₹ 85,472 Mn (March 31, 2020 ₹ 142,757 Mn) from non-current borrowings to current maturities of long term debt although the Company is confident that there will be no acceleration of payment in this regard (refer note 24(D)).

^Includes deferred payment liability towards spectrum (including interest thereon) of ₹ 64,392 Mn which is considered as payable within one year basis current correspondence with DoT and additional Bank Guarantees of ₹ 9,757 Mn is to be provided to avail the additional moratorium of 1 year. (refer note 24(E)).

⁽¹⁾Interest accrued but not due of ₹ 3,050 Mn (March 31, 2020: ₹ 5,641 Mn) has been excluded from other financial liabilities and included in loans from banks and others and interest thereon.

⁽²⁾Interest accrued but not due of ₹ 60,902 Mn (March 31, 2020: ₹ 55,440 Mn) has been excluded from other financial liabilities and included in deferred payment obligations and interest thereon.

⁽³⁾Payable for capital expenditure of ₹ 84,224 Mn (March 31, 2020: ₹ 91,205 Mn) and Accrual towards One Time Spectrum Charges (OTSC) of ₹ 43,898 Mn (March 31, 2020: ₹ 38,871 Mn) has been excluded from other financial liabilities and included in trade and other payables.

⁽⁴⁾Included as part of maturity profile as the underlying of these derivatives are borrowings and other financial liabilities included above.

NOTES

forming part of the Financial Statements

NOTE 60 : CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using the net debt-equity ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, unencumbered fixed deposits with banks having maturity of 3 to 12 months and investment in liquid mutual funds.

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Loans from banks and others	64,846	86,601
Deferred payment obligations	1,509,309	876,525
Current Maturities of loans from banks and others	165,869	186,347
Current Maturities of Deferred Payment obligations	63,079	482
Less: Investment in liquid mutual funds	-	(4,548)
Less: Cash and cash equivalents	(3,503)	(3,708)
Less: Fixed deposits with banks having maturity of 3 to 12 months	(27)	(16,504)
Net debt (A)	1,799,573	1,125,195
Equity share capital	287,354	287,354
Other Equity	(669,634)	(227,555)
Total Equity (B)	(382,280)	59,799
Net Debt-equity ratio (A)/(B)	(4.71)	18.82

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and year ended March 31, 2020.

NOTE 61 : ADDITIONAL DISCLOSURE AS PER REQUIREMENT OF SCHEDULE III

Net Assets of the Company, its subsidiaries, joint ventures and associate as at March 31, 2021 and March 31, 2020 ₹ Mn

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit/(loss)		Share in Other Comprehensive Income/(Loss)		Share in total comprehensive Income/(Loss)		Amount
	As % of consolidated net assets	Amount	As % of consolidated profit/loss	Amount	As % of consolidated Other Comprehensive Income/(Loss)	Amount	As % of consolidated Total Comprehensive Income/(Loss)		
Vodafone Idea Limited									
31-Mar-21	98.64%	(377,076)	104.66%	(462,937)	(1128.26%)	(4,152)	105.69%	(467,089)	
31-Mar-20	150.53%	90,013	98.99%	(731,315)	20268.89%	(18,242)	101.45%	(749,557)	
Subsidiaries									
Vodafone Idea Manpower Services Li mited (Formerly known as Idea Cellular Services Limited)									
31-Mar-21	0.00%	13	0.00%	3	1.36%	5	0.00%	8	
31-Mar-20	0.01%	5	0.00%	7	6.67%	(6)	0.00%	1	
Vodafone Idea Telecom Infrastructure Limited (Formerly known as Vodafone Towers Limited)									
31-Mar-21	1.17%	(4,488)	0.54%	(2,377)	0.00%	-	0.54%	(2,377)	
31-Mar-20	(3.53%)	(2,111)	0.29%	(2,117)	0.00%	-	0.29%	(2,117)	
Vodafone Idea Business Services Limited (Formerly known as Vodafone Business Services Limited)									
31-Mar-21	0.65%	(2,488)	(0.03%)	144	0.00%	-	(0.03%)	144	
31-Mar-20	(4.40%)	(2,632)	0.00%	17	0.00%	-	0.00%	17	

NOTES

forming part of the Financial Statements

₹ Mn

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit/(loss)		Share in Other Comprehensive Income/(Loss)		Share in total comprehensive Income/(Loss)		Amount
	As % of consolidated net assets	Amount	As % of consolidated profit/loss	Amount	As % of consolidated Other Comprehensive Income/(Loss)	Amount	As % of consolidated Total Comprehensive Income/(Loss)		
Vodafone Idea Communication Systems Limited (Formerly known as Mobile Commerce Solutions Limited)									
31-Mar-21	(0.51%)	1,934	(0.04%)	197	0.00%	-	(0.04%)	197	
31-Mar-20	2.90%	1,737	(0.02%)	153	0.00%	-	(0.02%)	153	
Vodafone Foundation									
31-Mar-21	0.00%	(2)	0.00%	2	0.00%	-	0.00%	2	
31-Mar-20	(0.01%)	(4)	0.00%	2	0.00%	-*	0.00%	2	
Connect (India) Mobile Technologies Private Limited									
31-Mar-21	(0.06%)	240	0.00%	-*	0.00%	-	0.00%	(0)	
31-Mar-20	0.40%	240	0.00%	(12)	0.00%	-	0.00%	(12)	
Vodafone m-pesa Limited									
31-Mar-21	0.24%	(899)	(0.01%)	25	0.00%	-	(0.01%)	25	
31-Mar-20	(1.55%)	(924)	0.13%	(946)	(2.22%)	2	0.13%	(944)	
Vodafone Idea Technology Solutions Limited (Formerly known as Vodafone Technology Solutions Limited)									
31-Mar-21	0.03%	(98)	0.00%	(4)	0.00%	-	0.00%	(4)	
31-Mar-20	(0.16%)	(94)	0.00%	(18)	0.00%	-	0.00%	(18)	
Vodafone Idea Shared Services Limited (Formerly known as Vodafone India Ventures Limited)									
31-Mar-21	(0.03%)	127	(0.01%)	63	1.90%	7	(0.02%)	70	
31-Mar-20	0.10%	57	0.00%	(12)	15.56%	(14)	0.00%	(26)	
You Broadband India Limited									
31-Mar-21	(0.01%)	21	0.00%	(8)	(0.27%)	(1)	0.00%	(9)	
31-Mar-20	0.06%	38	0.05%	(357)	2.22%	(2)	0.05%	(359)	
You System Integration Private Limited⁽²⁾									
31-Mar-21	-	-	-	-	-	-	-	-	
31-Mar-20	0.00%	2	0.00%	-	0.00%	-	0.00%	-	
Associate									
Aditya Birla Idea Payments Bank Limited									
31-Mar-21	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
31-Mar-20	0.00%	-	0.02%	(124)	(1.11%)	1	0.02%	(123)	
Joint ventures									
Indus Towers Limited⁽¹⁾									
31-Mar-21	0.00%	-	(0.52%)	2,300	(0.54%)	(2)	(0.52%)	2,298	
31-Mar-20	0.00%	-	(0.50%)	3,667	2.22%	(2)	(0.50%)	3,665	
Firefly Networks Limited									
31-Mar-21	0.00%	-	0.00%	14	0.00%	-	0.00%	14	
31-Mar-20	0.00%	-	0.00%	11	0.00%	-	0.00%	11	
Consolidation Adjustments									
31-Mar-21	(0.11%)	436	(4.58%)	20,247	1225.82%	4,511	(5.60%)	24,758	
31-Mar-20	(44.36%)	(26,528)	1.05%	(7,737)	(20192.22%)	18,173	(1.41%)	10,436	
Total									
31-Mar-21	100.00%	(382,280)	100.00%	(442,331)	100.00%	368	100.00%	(441,963)	
31-Mar-20	100.00%	59,799	100.00%	(738,781)	100.00%	(90)	100.00%	(738,871)	

⁽¹⁾During the year, Company has sold its stake in Indus. (refer note 43(iii))⁽²⁾During the year, YSIPL merged with YBIL (refer note 43(vi))

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

NOTES

forming part of the Financial Statements

NOTE 62 : INTEREST IN OTHER ENTITIES

a) Interests in joint ventures and associate

The joint ventures / associate of the Group as at March 31, 2021 and March 31, 2020 are listed below and have share capital consisting solely of equity shares which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

₹ Mn

Name of the entity	Place of business	% of ownership interest as at Mar 31		Relationship	Accounting method	Quoted fair value as at Mar 31		Carrying amount as at Mar 31	
		2021	2020			2021	2020	2021	2020
Indus ⁽²⁾	India	-	11.15%	Joint Venture	Equity Method	*	*	-	15,217
ABIPBL ⁽¹⁾	India	49.00%	49.00%	Associate	Equity Method	*	*	-	-
FNL	India	50.00%	50.00%	Joint Venture	Equity Method	*	*	41	27

*Unlisted entity- no quoted price available

⁽¹⁾ABIPBL is currently under liquidation and hence company has made a provision for the entire amount of investment in the Company (refer note 43(ii))

⁽²⁾The Company has sold its entire stake in Indus during the year. (refer note 43(iii))

b) Summarised financial information for joint ventures and associate :

The table below provide summarised financial information for the joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not Vodafone Idea Limited's share of those amounts. As at March 31, 2021, there are no Joint Ventures or associates which are material to the Group.

Summarised Balance Sheet:

₹ Mn

Particulars	Indus Towers Limited As at March 31, 2020
Equity	
Equity share capital	1
Other equity	136,470
Total Equity	136,471
Liabilities	
Long term borrowings	1,667
Lease liabilities	89,733
Other non-current financial and non-financial liabilities	18,036
Deferred tax liability (Net)	2,242
Short term borrowings	27,920
Other current financial and non-financial liabilities	63,172
Total Liabilities	202,770
Assets	
Property, Plant and Equipment and Intangible (including CWIP)	171,135
Right of use assets	83,283
Other non-current financial and non-financial assets	14,741
Income Tax Assets	8,911
Cash and Cash equivalents	1,355
Other current financial and non-financial assets	59,816
Total Assets	339,241

NOTES

forming part of the Financial Statements

Summarised Statement of Profit and Loss:

Particulars	₹ Mn	
	Indus Towers Limited	
	For the period ended November 18, 2020 (refer note 43(iii))	For the year ended March 31, 2020
Revenues from operations	117,366	188,586
Other income (including finance income)	1,281	1,814
Operating Costs (including CSR expenditure)	58,077	97,988
Profit before finance cost, depreciation, amortisation, exceptional items and taxes	60,570	92,412
Finance costs	8,027	12,601
Depreciation & amortisation ⁽¹⁾	24,909	39,895
Profit/(loss) before exceptional items and tax	27,634	39,916
Exceptional items	-	-
Income tax expenses	7,007	7,047
Profit/(loss) after tax	20,627	32,869
Other Comprehensive Income/(loss)	(16)	(22)
Total Comprehensive Income/(loss)	20,611	32,847
Group's share in net Profit/ (loss)	2,300	3,666
Group's share in other comprehensive income/(loss)	(2)	(2)

⁽¹⁾Net of adjustment of ₹ 1,038 Mn (March 31, 2020 : ₹ 2,401 Mn) towards additional depreciation on fair valued assets pursuant to scheme of merger.

The contingent liabilities and capital commitment of the above joint venture is given below:

Particulars	₹ Mn	
	Indus Towers Limited	
	As at March 31, 2020	
Contingent Liability	99,419	
Capital Commitment	3,584	

Reconciliation to carrying amounts:

The table below provides reconciliation to carrying amounts for the joint venture material to the Group.

Particulars	₹ Mn	
	Indus Towers Limited	
	As at March 31, 2020	
Opening net assets	121,630	
Profit/ (loss) for the period/year	32,869	
Other comprehensive income/(loss)	(22)	
Dividends paid (incl. DDT)	-	
Other Equity Movement	(18,006)	
Closing net assets	136,471	
Group's share in %	11.15%	
Group's share in INR	15,217	

The Company has sold its entire stake in Indus during the year (refer note 43(iii)).

NOTES

forming part of the Financial Statements

The aggregate information of immaterial joint venture is as follows :

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Carrying amount of investments	41	27

Group's share in immaterial joint venture is as follows :

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit/ (loss)	14	11
Total comprehensive income/(loss)	14	11

The aggregate information of immaterial associate is as follows :

Particulars	₹ Mn	
	As at March 31, 2021	As at March 31, 2020
Carrying amount of investments (Net of impairment provision)	-	-

Group's share in immaterial associate is as follows :

Particulars	₹ Mn	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit/ (loss)	-	(124)
Total comprehensive income/(loss)	-	(123)

NOTE 63

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

As per our report of even date

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

For and on behalf of the Board of Directors of **Vodafone Idea Limited**

Nilangshu Katriar
Partner
Membership No.: 58814
Place: Mumbai

Himanshu Kapania
Director
(DIN : 03387441)
Place: Mumbai

Ravinder Takkar
Managing Director & Chief Executive Officer
(DIN : 01719511)
Place: Gurugram

Date : June 30, 2021

Akshaya Moondra
Chief Financial Officer
Place: Mumbai

Pankaj Kapdeo
Company Secretary
Place: Mumbai

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