

VODAFONE FOUNDATION

Financial Statements

For the year ended March 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Vodafone Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Vodafone Foundation ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

Responsibility of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. The report does not contain a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, as in our opinion and according to information and explanations given to us, the Order is not applicable to the Company.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2022;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

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

per Nilangshu Katriar
Partner
Membership Number: 58814
UDIN: 22058814AIMGSD7457

Place: Mumbai
Date: May 05, 2022

Annexure 1 to the Independent Auditor's Report of even date on the Financial Statements of Vodafone Foundation**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Vodafone Foundation ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Nilangshu Katriar
Partner
Membership Number: 58814
UDIN: 22058814AIMGSD7457

Place: Mumbai
Date: May 05, 2022

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Balance Sheet as at March 31, 2022

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Financial assets			
Deposits with body corporate and others		10	10
Other non-current assets	6	3,235	1,686
Total non-current assets (A)		3,245	1,696
Current assets			
Financial assets			
Cash and cash equivalents	7	5,393	3,171
Bank balance other than cash and cash equivalents	8	488,960	580,259
Other current financial assets	9	78	91
Other current assets	10	4,566	-
Total current assets (B)		498,997	583,521
Total Assets (A+B)		502,242	585,217
Equity and Liabilities			
Equity			
Equity share capital	11	2	2
Other equity	12	1,384	(2,009)
Total equity (A)		1,386	(2,007)
Liabilities			
Current liabilities			
Financial liabilities			
Short term borrowings	13	5,200	5,200
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14	4,751	3,797
Other current financial liabilities	15	488,996	577,059
Other current liabilities	16	1,909	1,168
Total current liabilities (B)		500,856	587,224
Total Equity and Liabilities (A+B)		502,242	585,217

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 Foundation

Nilangshu Katriar
Partner
Membership No.: 58814

Paulrajan Balaji
Director
(DIN:02943481)

Venkatesh Viswanathan
Director
(DIN:03122706)

Place : Mumbai
Date : May 5, 2022

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Statement of Income and Expenditure for the year ended March 31, 2022

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Donations	17	460,239	421,057
Other income	18	3,395	2,015
Total income		463,634	423,072
Operating expenditure			
Donations		447,344	411,239
Advertisement and business promotion expenditure		342	848
Other expenses	19	12,554	8,971
Total expenditure		460,240	421,058
Excess of income over expenditure before finance costs and tax		3,394	2,014
Finance costs	20	1	-
Excess of income over expenditure / (excess of expenditure over income) before tax		3,393	2,014
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Excess of income over expenditure / (excess of expenditure over income) after tax		3,393	2,014
Other comprehensive income / (loss)			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		-	-
Other comprehensive income / (loss) for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		3,393	2,014
Earnings / (loss) per equity share of Rs. 10 each:	22		
Basic (Rs.)		-	-
Diluted (Rs.)		-	-
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 Foundation

Nilangshu Katriar

Partner

Membership No.: 58814

Paulrajan Balaji

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(DIN:02943481)

Venkatesh Viswanathan

Director

(DIN:03122706)

Place : Mumbai

Date : May 5, 2022

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

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

A. Equity share capital:

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

	Numbers	Amount
As at April 1, 2020	200	2
Issue of share capital	-	-
As at March 31, 2021	200	2
Issue of share capital	-	-
As at March 31, 2022	200	2

B. Other equity

Particulars	Retained earnings
As at April 1, 2020	(4,023)
Excess of expenditure over income for the year ended March 31, 2021	2,014
Other comprehensive income/(loss) for the year ended March 31, 2021	-
As at March 31, 2021	(2,009)
Excess of income over expenditure for the year ended March 31, 2022	3,393
Other comprehensive income/(loss) for the year ended March 31, 2022	-
As at March 31, 2022	1,384

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 Foundation

Nilangshu Katriar
Partner
Membership No.: 58814

Paulrajan Balaji
Director
(DIN:02943481)

Venkatesh Viswanathan
Director
(DIN:03122706)

Place : Mumbai
Date : May 5, 2022

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating activities		
Excess of income over expenditure/ (expenditure over income) before tax	3,393	2,014
Adjustments to reconcile excess of expenditure over income before tax to net cash flows:		
Finance costs	1	-
Interest income	(3,395)	(2,015)
Working capital adjustments		
Decrease/(Increase) in financial assets	86,733	(80,126)
Increase in trade payables	954	1,276
(Decrease)/Increase in other financial and non-financial liabilities	(87,323)	78,910
Cash flows from operating activities	363	59
Income tax paid (including TDS) (net)	(1,549)	(787)
Net cash flows (used in) operating activities	(1,186)	(728)
Investing activities		
Interest received	3,408	1,914
Net cash flows from investing activities	3,408	1,914
Net increase in cash and cash equivalents during the year	2,222	1,186
Cash and cash equivalents at the beginning of the year	3,171	1,985
Cash and cash equivalents at the end of the year (refer note 7)	5,393	3,171

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

Particulars	Short term borrowings	Interest accrued but not due
Balance as at April 1, 2020	5,200	1,694
(i) Cash flow Items		
Payment of Interest and finance charges	-	-
(ii) Non - cash items		
Finance cost accrued (charged to profit and loss)	-	-
Balance as at March 31, 2021	5,200	1,694
(i) Cash flow Items		
Payment of Interest and finance charges	-	-
(ii) Non - cash items		
Finance cost accrued (charged to profit and loss)	-	1
Interest related to other liabilities	-	(1)
Balance as at March 31, 2022	5,200	1,694

1.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 Foundation

Nilangshu Katriar

Partner

Membership No.: 58814

Paulrajan Balaji

Director

(DIN:02943481)

Venkatesh Viswanathan

Director

(DIN:03122706)

Place : Mumbai

Date : May 5, 2022

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

1. Corporate Information

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

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

2. Statement of compliance

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

3. Basis of preparation

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

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

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

4. Significant Accounting Policies

a) Donations

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

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

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

b) Employee benefits

i. Defined Contribution Plan

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

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

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

ii. Defined Benefit Plan

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

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

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

- Service costs; and
- Net interest expense or income

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

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

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

c) Foreign currency transactions

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

d) Taxes

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

e) Current / Non – Current Classification

An asset is classified as current when;

- It is expected to be realized or consumed in the respective company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

A liability is classified as current when;

- It is expected to be settled in the normal operating cycle of the respective companies;
- It is held primarily for the purposes of trading;
- It is expected to be settled within twelve months after the reporting period; or
- The respective companies have no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

f) Borrowing Costs

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

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Financial Instruments

Initial recognition and measurement

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

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

i. Financial assets

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

Subsequent measurement

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

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

Financial assets measured at amortised cost

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

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

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

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

Vodafone Foundation

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

Notes to Financial Statements

Derecognition

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

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

ii. Financial liabilities

Subsequent measurement

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

Financial liabilities at amortised cost

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

De-recognition

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

v. Offsetting financial instruments

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

i) Fair value measurement

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

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

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

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

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.

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

j) Earnings per share

The earnings considered in ascertaining the Company's Earnings per share (EPS) is the net profit after tax.

EPS is disclosed on basic and diluted basis. Basic EPS is computed by dividing the profit / loss for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

k) Provisions and Contingent Liabilities

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

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

Contingent Liabilities

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

l) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

i) Ind AS 103 – Reference to Conceptual Framework

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

ii) Ind AS 16 – Proceeds before intended use

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

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

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

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

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

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

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

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

5. Use of Estimates, assumptions and judgments

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

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

a) Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Evaluations of uncertain provisions and contingent liabilities and assets requires judgement and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

Note 6

Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (TDS recoverable)	3,235	1,686
Total	3,235	1,686

Note 7

Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks in current accounts	5,393	3,171
Total	5,393	3,171

Note 8

Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks ¹ (refer note 24 & 25)		
- In current accounts	36,960	5,259
- In fixed deposits	452,000	575,000
Total	488,960	580,259

¹ Represents amount to be spent towards CSR activities.

Note 9

Other current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Interest receivable	78	91
Total	78	91

Note 10

Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Others	4,566	-
Total	4,566	-

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

Note 11

Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Numbers	Amount	Numbers	Amount
EQUITY SHARE CAPITAL				
Authorised share capital				
Equity Shares of Rs. 10 each	10,000	100	10,000	100
	10,000	100	10,000	100
Issued, subscribed and paid-up share capital				
Equity Shares of Rs. 10 each fully paid up	200	2	200	2
	200	2	200	2

(a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2022		As at March 31, 2021	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	200	2	200	2
Issue of share capital	-	-	-	-
Equity shares outstanding at the end of the year	200	2	200	2

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

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

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

Name of the shareholders	As at March 31, 2022		As at March 31, 2021	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs. 10 each fully paid				
Vodafone Idea Limited, the holding company and its nominees	200	100%	200	100%

Note 12

Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings		
Opening balance	(2,009)	(4,023)
Excess of income over expenditure / (excess of expenditure over income) for the year	3,393	2,014
Closing balance	1,384	(2,009)

Note 13

Short term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Loans		
Loan from related parties (refer note 23) ⁽¹⁾	5,200	5,200
Total	5,200	5,200

⁽¹⁾ The interest rate is Nil (March 31, 2021 : Nil)

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

Note 14

The following is ageing schedule of trade payables :

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022						
(i) MSME	-	-	-	-	-	-
(ii) Others	748	3,642	-	57	-	4,447
	748	3,642	-	57	-	4,447
Accrued expenses						304
Total						4,751
As at March 31, 2021						
(i) MSME	-	-	-	-	-	-
(ii) Others	804	1	57	-	-	862
	804	1	57	-	-	862
Accrued expenses						2,935
Total						3,797

Note 15

Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Restricted funds ⁽¹⁾	21,893	120,513
Corpus funds ⁽¹⁾	465,409	454,852
Interest accrued on borrowings	1,694	1,694
Total	488,996	577,059

⁽¹⁾ Represents unused grant balance for specified objects received from related parties (refer note 24 & 25)

Note 16

Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Taxes and other liabilities	1,909	1,168
Total	1,909	1,168

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

Note 17

Donations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- On utilisation of restricted funds (including amount referred in note 23 & refer note 24)	458,692	394,293
- On utilisation of corpus funds (Refer note 25)	1,547	26,764
Total	460,239	421,057

Note 18

Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income	3,395	2,015
Total	3,395	2,015

Note 19

Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Bank charges	4	3
Legal and professional charges	7,141	4,931
Audit fees (refer note 21)	354	354
Business process outsourcing cost	404	394
Support service charges (including amount referred in note 23)	4,651	3,289
Total	12,554	8,971

Note 20

Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on others	1	-
Total	1	-

Note 21

Auditor's Remuneration

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory audit fees	354	354
Total Remuneration	354	354

Note 22

Basic & Diluted Earnings/(Loss) per Share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Nominal value of per equity share Rs.	10	10
Excess of income over expenditure / (excess of expenditure over income) after Tax	3,393	2,014
Excess of income over expenditure / (excess of expenditure over income) attributable to equity shareholders	-	-
Weighted average number of equity shares outstanding during the year	200	200
Basic and diluted earnings per share	-	-

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

Note 23

Related party transactions

The Company has transactions with the below related parties:

Relationship	Related Party
Holding Company	Vodafone Idea Limited
Holding Company's joint venture	Indus Towers Limited ⁽¹⁾ (Till November 18, 2020)
Fellow Subsidiary	Vodafone Idea Shared Services Limited
	Cable & Wireless Networks India Private Limited
	Vodafone UK Foundation
Entities having significant influence [includes Subsidiaries of the entity to which the Holding company of the Company is a JV]	Indus Towers Limited ⁽¹⁾ (effective from November 19, 2020)
	Vodafone Global Services Private Limited
	Vodafone India Services Private Limited
Key Managerial Personnel (KMP)	Mr. Venkatesh Vishwanathan (Non-Executive Director)*
	Mr. Abhijit Kishore (Appointed as Non-Executive Director on January 18, 2022)*
	Mr. Paulrajan Balaji (Non-Executive Director)*
	Mr. Suraj Kalra (Resigned as Non-Executive Director on March 26, 2022)*

⁽¹⁾ Indus Towers Limited ("Indus") (Holding Company's joint venture) merged with and into Bharti Infratel Limited ("BIL") effective from November 19, 2020.

* No transactions during the year

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

Particulars	Holding company	Fellow subsidiary	Holding company's joint venture	Entities having significant influence
Purchase of Services	-	937	-	-
	-	(755)	-	-
Expense incurred on Company's behalf by	2,891	-	-	-
	(2,792)	-	-	-
Donations received	204,900	2,381	-	150,149
	(272,700)	-	(145,000)	(71,834)

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

B. Balances with Related Parties

Particulars	Holding company	Fellow subsidiary
Interest Accrued but not due	1,694	-
	(1,694)	-
Outstanding loan payable	5,200	-
	(5,200)	-
Trade and Other Payables	92	163
	(2,488)	(834)

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

C. The significant related party transactions are summarised below for the year ended March 31, 2022 and March 31, 2021:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Donations received		
Vodafone India Services Private Limited	-	62,673
Indus Towers Limited	112,907	145,000

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

Note 24

Movement of Restricted Funds

Restricted Funds (Purpose)	Opening balance as at April 1, 2021	Reallocation during the Year	Additions (Donations received during the year)	Utilisation during the year ¹	Closing balance as at March 31, 2022
Donation for Financial Literacy programme	171	-	8,600	8,771	-
Donation for scholarships and education programme through technology in classrooms	90,300	981	84,936	154,401	21,816
Covid 19	14,000	-	-	14,000	-
Preventive Health care	-	-	13,100	13,100	-
Digital Village	-	-	22,378	22,378	-
Empowerment -Connecting for Good	5,500	-	15,500	21,000	-
Smart Agriculture	-	-	158,251	158,251	-
Scholarship	4,351	-	39,311	43,662	-
Overhead	6,171	(981)	7,700	12,890	-
Covid 19 (FCRA)	-	-	10,240	10,235	5
Overhead (FCRA)	20	-	56	4	72
Total	120,513	-	360,072	458,692	21,893

¹ Utilisation during the year includes accruals for the year.

Note 25

Movement of Corpus Funds

Particulars	Opening balance as at April 1, 2021	Additions (Donations received during the year)	Utilisation during the year	Closing balance as at March 31, 2022
Corpus donation	451,196	-	-	451,196
Interest accrued	3,656	12,104	1,547	14,213
Total	454,852	12,104	1,547	465,409

The Company has received the corpus donation from Indus Towers Limited ('Indus') to be utilized for programs on education and improving socio economic condition of farmers. The Company during the year has utilized Corpus Grant of Rs. 1,547 towards program of education and improvement of socio-economic condition of farmers. The Company is regularly submitting statements to Indus showing utilization and unspent amount as per the terms of the corpus agreements and is in continuous discussion with Indus to finalize the plan for utilization of unspent amount on various programs. The Company is compliant with applicable CSR laws for utilization and unspent amount pertaining to Corpus Grant.

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

Note 26

Financial instruments

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

Particulars	As at March 31, 2022	As at March 31, 2021
	Amortised Cost	
Financial Assets		
Deposits with body corporate and others	10	10
Cash and cash equivalents	5,393	3,171
Bank balance other than cash and cash equivalents	488,960	580,259
Interest receivable	78	91
Total Financial Assets	494,441	583,531

Particulars	As at March 31, 2022	As at March 31, 2021
	Amortised Cost	
Financial Liabilities		
Short term borrowings including Interest accrued but not due	6,894	6,894
Trade Payables	4,751	3,797
Restricted funds	21,893	120,513
Corpus funds	465,409	454,852
Total Financial Liabilities	498,947	586,056

(b) Fair value hierarchy

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

Note 27

Financial risk management objectives and policies

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

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

Market risk

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

a) Interest rate risk

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

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

b) Credit risk

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

- Other financial assets and cash deposits

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

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

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2022 and March 31, 2021 on its carrying amounts as disclosed in notes 7, 8 and 9.

c) Liquidity risk

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

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

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

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
As at March 31, 2022					
Borrowings and Interest thereon ¹	6,894	6,894	-	-	6,894
Trade and other payables	4,751	4,751	-	-	4,751
Corpus funds	465,409	465,409	-	-	465,409
Restricted funds	21,893	21,893	-	-	21,893
	498,947	498,947	-	-	498,947
As at March 31, 2021					
Borrowings and Interest thereon ¹	6,894	6,894	-	-	6,894
Trade and other payables	3,797	3,797	-	-	3,797
Corpus funds	454,852	454,852	-	-	454,852
Restricted funds	120,513	120,513	-	-	120,513
	586,056	586,056	-	-	586,056

¹ Interest accrued but not due of Rs. 1,694 thousands (March 31, 2021: Rs. 1,694 thousands) has been excluded from other financial liabilities and included in borrowings and interest thereon.

Note 28

Additional disclosure as per requirement of Schedule III

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance
Current Ratio ⁽¹⁾	1.01	1.00	0%
Debt Equity Ratio ⁽²⁾	3.75	NA*	NA

⁽¹⁾ Current Ratio = [Current assets/Current liabilities (excluding short term borrowings)]

⁽²⁾ Debt-Equity Ratio = [Debt (excluding interest accrued but not due)/ Equity]

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

Vodafone Foundation

Financial Statements for the year ended March 31, 2022

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

Notes to Financial Statements

Note 29

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of

Vodafone Foundation

Nilangshu Katriar

Partner

Membership No.: 58814

Paulrajan Balaji

Director

(DIN:02943481)

Venkatesh Viswanathan

Director

(DIN:03122706)

Place : Mumbai

Date : May 5, 2022