

VODAFONE IDEA COMMUNICATION SYSTEMS LIMITED
Financial Statements
For the year ended March 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Vodafone Idea Communication Systems Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Vodafone Idea Communication Systems Limited ("the Company"), which comprise the Balance sheet as at March 31, 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material 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, 2025, 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, but does not include the financial statements and our auditor's report thereon. The Board of Directors' Report is expected to be made available to us after the date of this auditor's report.

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 when it becomes available 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.



Responsibility of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 Statement of Cash Flows 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2025;



- (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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 28 to the financial statements;
 - 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 persons or entities, 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 persons or entities, 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.



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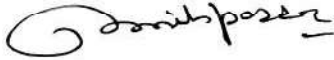
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- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software (refer note 42 to the financial statements). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Amit Poddar

Partner

Membership Number: 509192

UDIN: 25509192BNFTRH1536

Place: Mumbai

Date: May 12, 2025



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Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Vodafone Idea Communication Systems Limited ('the Company')

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

- (i)(a) (A) The Company does not have any Property, Plant and Equipment and accordingly, the requirements under clause 3(i) (a) (A), (b) and (c) of the Order is not applicable to the Company.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (d) The Company has not revalued its intangible assets during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)(a) Physical verification of inventory has been conducted at at reasonable intervals during the year by management. In our opinion the coverage and procedures of such verification by management is reasonable. No material discrepancies were noticed upon such verification.
- (b) The Company has not availed any working capital limits from banks or financial institutions at any point of time during the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)(a) During the year, the Company has provided loan to companies as follows:

Particulars	Rs. In lakhs
Aggregate amount granted/ provided during the year	
-Holding Company	1,100
-Fellow subsidiary	1,050
Balance outstanding as at balance sheet date in respect of above (including interest receivable)	
-Holding Company	-
-Fellow subsidiary	9,902

During the year, the Company has not provided any advance in the nature of loans, stood guarantee and provided security to any companies, firms, limited liability partnership or any other parties.

- (b) During the year the investment made of Rs 14,218 lakhs in fellow subsidiary and the terms and conditions of loan of Rs. 2,150 lakhs granted during the year by the Company to its holding company and fellow subsidiary are not prejudicial to the Company's interest.
- (c) In respect of loan granted by the Company to its holding company and fellow subsidiary, repayable on demand, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are in accordance with that.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.



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- (e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) As disclosed in note 41 to the financial statements, the Company has granted loan during the year to related parties as defined in clause (76) of section 2 of the Companies Act, 2013, which are repayable on demand.

Particulars	Rs. In lakhs
Aggregate amount of loans granted during the year	2,150
Percentage of loans to the total loans	100%

- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products / services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, income-tax, duty of customs, cess and other statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, sales-tax, service tax, duty of excise, value added tax are not applicable to the Company for the year ended March 31, 2025.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, as at March 31, 2025, for a period of more than six months from the date they became payable.

- (a) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues on account which have not been deposited on account of any dispute, are as follows:

Name of statute	Nature of Dues	Amount (Rs. in lakhs)	Period	Forum where the dispute is pending
Customs Act, 1962	Custom Duty	255	2019-2021	Commissioner of Customs (appeal)
Customs Act, 1962	Custom Duty	155	2021-2022	Customs Excise and Service Tax Appellate Tribunal
Total of Customs		410		
Bihar tax on Entry of Goods into Local Areas for Consumption, Use or Sale Therein Act, 1993	Entry Tax	2	2012-2013	Deputy Commissioner



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Name of statute	Nature of Dues	Amount (Rs. in lakhs)	Period	Forum where the dispute is pending
Maharashtra Municipal Corporation Act, 1888	Entry Tax	3	2010-2011	Deputy Commissioner
Chhattisgarh Tax on Entry Tax of Goods Act, 2011	Entry Tax	1	2011 - 2012	Assessing Authority
Total of Entry Tax		6		
Finance Act, 1994	Service Tax	621	2013-2018	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Total of Service Tax		621		
Central Sales Tax, 1956	Central Sales Tax	44	2008-2009, 2012-2013	Additional Commissioner of Sales Tax (Appeal)
Central Sales Tax, 1956	Central Sales Tax	91	2007-2008	Additional Commissioner
Central Sales Tax, 1956	Central Sales Tax	1	2009-2010	Assistant Commissioner of Commercial Taxes (Appeal)
Central Sales Tax, 1956	Central Sales Tax	-*	2016-2017	Deputy Commissioner of Commercial Taxes
Central Sales Tax, 1956	Central Sales Tax	-*	2013-2014	Deputy Commissioner of Sales Tax (Appeal)
Central Sales Tax, 1956	Central Sales Tax	280	2012-2016	Joint Commissioner of Sales Tax (Appeal)
Central Sales Tax, 1956	Central Sales Tax	2	2010-2011	State Tax Tribunal
Central Sales Tax, 1956	Central Sales Tax	5	2012-2013	Assessing Officer
Total of Central Sales Tax		423		
AP VAT Act, 2005	Value Added Tax	-*	2010-2013	Assistant Commissioner of Commercial Taxes
Kerala Value Added Act, 2003	Value Added Tax	4	2015-2016	Additional Commissioner of Sales Tax (Appeal)
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	2	2008-2009, 2013-2014	Additional Commissioner of Sales Tax (Appeal)
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	4	2013-2014	Assistant Commissioner of Commercial Taxes
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	-*	2011-2012	Deputy Commissioner of Commercial Taxes
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	12	2008-2009	State Tax Tribunal
Haryana value added tax Act, 2003	Value Added Tax	-*	2012-2013	Assessing Officer
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	3	2012-2014	Assistant Commissioner of Commercial Taxes



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Name of statute	Nature of Dues	Amount (Rs. in lakhs)	Period	Forum where the dispute is pending
Delhi Value Added Tax Act 2003	Value Added Tax	138	2012-2013	Joint Commissioner of Sales Tax (Appeal)
Punjab Value Added Tax Act, 2008	Value Added Tax	37	2013-2014	Joint Commissioner of Sales Tax (Appeal)
Delhi Value Added Tax Act 2003	Value Added Tax	179	2012-2013	Deputy Commissioner of Sales Tax (Appeal)
Total of Value Added Tax		379		
Central Goods and Services Tax Act, 2017	Goods and Service Tax	37	2017-2020	First Appellate Authority
Total of Goods and Service Tax		37		
Income Tax Act	Income Tax Act	1	2012-2013	Assistant Commissioner of Income Tax
Income Tax Act	Income Tax Act	13	2003-2004	Commissioner of Income Tax (Appeals)
Total of Income Tax Act		14		

Of the above cases, total amount deposited in respect of Custom Duty is Rs. 255, Service Tax is Rs. 20, Central Sales Tax is Rs. 53, Value Added Tax is Rs. 20, Goods and Service Tax Rs. 7, Entry Tax Rs.1 and Income Tax is Rs. 2.

*Numbers are below one lakh.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and (f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.



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- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly, the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group has five Core Investment Companies as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and immediately preceding financial year and accordingly, the requirement to report on Clause 3(xvii) of the Order is not applicable to the Company.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



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- (xix) On the basis of the financial ratios disclosed in note 40 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company is not required to spend any money under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: **101049W/E300004**



per **Amit Poddar**

Partner

Membership Number: 509192

UDIN: 25509192BNFTRH1536



Place: Mumbai

Date: May 12, 2025

Annexure '2' to the Independent Auditor's Report of even date on the financial statements of Vodafone Idea Communication Systems Limited

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

We have audited the internal financial controls with reference to financial statements of Vodafone Idea Communication Systems Limited ("the Company") as of March 31, 2025 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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



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Meaning of Internal Financial Controls With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

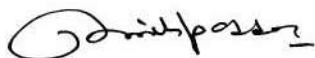
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, 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 issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: **101049W/E300004**



per **Amit Poddar**

Partner

Membership Number: 509192

UDIN: 25509192BNFTRH1536



Place: Mumbai

Date: May 12, 2025

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Balance Sheet as at March 31, 2025

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Intangible assets	6	-	-
Financial assets			
Non-current investment	7	14,318	-
Other non-current financial assets	8	33	46
Deferred tax assets	34	120	154
Other non-current assets	9	606	563
Total non-current assets (A)		15,077	763
Current assets			
Inventories	10	104	92
Financial assets			
Trade receivables	11	1,697	1,400
Cash and cash equivalents	12	979	1
Bank balance other than cash and cash equivalents	13	39	27
Loans to related parties	14	9,850	22,487
Other current financial assets	15	62	60
Other current assets	16	457	411
Total current assets (B)		13,188	24,478
Total Assets (A+B)		28,265	25,241
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	40,526	40,526
Other equity	18	(14,314)	(16,308)
Total equity (A)		26,212	24,218
Liabilities			
Non-current liabilities			
Other non-current liabilities	19	3	6
Total non-current liabilities (B)		3	6
Current liabilities			
Financial liabilities			
Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		21	36
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,020	317
Other current financial liabilities	21	.*	.*
Other current liabilities	22	9	19
Current tax liabilities (Net)		-	645
Total current liabilities (C)		2,050	1,017
Total Equity and Liabilities (A+B+C)		28,265	25,241

The accompanying notes are an integral part of the Financial Statements

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

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 Communication Systems Limited

Sd/-

Amit Poddar

Partner

Membership No.: 509192

Sd/-

Avneesh Khosla

Managing Director

(DIN: 07775577)

Sd/-

Venkatesh Viswanathan

Director

(DIN: 03122706)

Sd/-

Rajendra Sethia

Chief Financial Officer

Sd/-

Hari Gopalakrishnen

Company Secretary

Membership No.: A-21015

Place : Mumbai

Date : May 12, 2025

Place : Mumbai

Date : May 12, 2025

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Statement of Profit and Loss for the year ended March 31, 2025

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Service revenue		19	93
Sale of trading goods (Includes amount referred in note 36)		1,954	2,195
Other operating income	23	2	19
Revenue from operations		1,975	2,307
Other income	24	1,436	1,565
Total income		3,411	3,872
Expenses			
Purchase of stock-in-trade		1,855	580
Changes in inventories of stock in trade	25	(12)	1,435
Other expenses	26	420	452
		2,263	2,467
Profit / (Loss) before finance costs & tax		1,148	1,405
Finance costs	27	35	14
Profit / (Loss) before tax		1,113	1,391
Tax expense:			
- Current tax	33	(815)	374
- Deferred tax	34	9	(5)
Profit / (Loss) after tax for the year		1,919	1,022
Other comprehensive income / (loss)			
Items not to be reclassified to profit or loss in subsequent periods:			
Equity instrument through other comprehensive income / (losses)	7	100	-
Income tax effect on equity instrument through other comprehensive losses		(25)	-
Other comprehensive income / (loss) for the year, net of tax		75	-
Total comprehensive income / (loss) for the year		1,994	1,022
Earnings / (Loss) per equity share of Rs. 10 each:			
Basic (Rs.)	35	0.47	0.25
Diluted (Rs.)	35	0.47	0.25

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 Communication Systems Limited

Sd/-

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Date: May 12, 2025

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Statement of Changes in Equity for the year ended March 31, 2025

A. Equity Share Capital:

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

	Numbers	Amount
As at April 1, 2023	405,263,153	40,526
Issue of share capital	-	-
As at March 31, 2024	405,263,153	40,526
Issue of share capital	-	-
As at March 31, 2025	405,263,153	40,526

B. Other Equity:

Particulars	Securities premium	Retained earnings	Equity instrument through other comprehensive income	Total
As at April 1, 2023	18,208	(35,538)	-	(17,330)
Profit/(Loss) for the year	-	1,022	-	1,022
As at March 31, 2024	18,208	(34,516)	-	(16,308)
Profit/(Loss) for the year	-	1,919	-	1,919
Other comprehensive income/(loss) for the year	-	-	75	75
As at March 31, 2025	18,208	(32,597)	75	(14,314)

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Sd/-

Amit Poddar

Partner

Membership No.: 509192

For and on behalf of the Board of Directors of

Vodafone Idea Communication Systems Limited

Sd/-

Avneesh Khosla

Managing Director

(DIN: 07775577)

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Venkatesh Viswanathan

Director

(DIN: 03122706)

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Chief Financial Officer

Sd/-

Hari Gopalakrishnan

Company Secretary

Membership No.: A-21015

Place: Mumbai

Date: May 12, 2025

Place: Mumbai

Date: May 12, 2025

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Statement of Cash Flows for the year ended March 31, 2025

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Operating activities		
Profit before tax	1,113	1,391
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs	35	14
Bad debts / advances written off	16	3
Allowance for doubtful debts and advances	(19)	12
Liabilities no longer required written back	-	17
Interest income	(1,436)	(1,565)
Adjustments for changes in working capital		
(Increase)/Decrease in trade receivables	(300)	352
(Increase)/Decrease in inventories	(12)	1,435
Decrease in other financial and non-financial assets	68	4
Increase/(Decrease) in trade payables	1,683	(1,735)
(Decrease) in other financial and non-financial liabilities	(43)	(57)
Cash flows (used in) / generated from operating activities	1,105	(129)
Income tax refund/(paid) (including TDS) (net)	28	318
Net cash flows generated from operating activities	1,133	189
Investing activities		
Investments in Equity instruments of Fellow Subsidiary (refer note 7)	(14,218)	-
Loan given to related parties	(2,150)	(23,532)
Repayment of loans given to related parties	14,787	21,734
Interest received	1,426	1,574
Net cash flows (used in) investing activities	(155)	(224)
Net increased / (decrease) in cash and cash equivalents during the year	978	(35)
Cash and cash equivalents at the beginning of the year	1	36
Cash and cash equivalents at the end of the year (refer note 12)	979	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 Idea Communication Systems Limited

Sd/-

Amit Poddar

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Managing Director

(DIN: 07775577)

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Hari Gopalakrishnan

Company Secretary

Membership No.: A-21015

Place : Mumbai

Date : May 12, 2025

Place : Mumbai

Date : May 12, 2025

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

1. Corporate Information

Vodafone Idea Communication Systems Limited (herein after referred to as "VICSL" or "the Company"), a wholly owned subsidiary of Vodafone Idea Limited ("VIL") was incorporated on June 12, 2008 under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is situated at 2nd Floor, Block-A, Vodafone House, Corporate Road Prahlad Nagar, off S G Highway, Ahmedabad – 380051, India.

The Company's principal business consists of trading of Mobile handsets, data card and related accessories and services.

These financial statements for the year ended March 31, 2025 were approved by the Board of Directors and authorised for issue on May 12, 2025.

2. 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.

3. 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. The Company has assessed its liquidity position and its possible sources of funds. The Board of Directors are confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the Balance Sheet date. Accordingly, these financial statements have been prepared on a going concern basis.

All financial information presented in Rs. has been rounded off to lakhs unless otherwise stated. Until the previous year, financial information was presented in Indian Rupees rounded off to the nearest thousand. However, in the current year, the figures for the previous year have been recasted to align with the current rounding off convention.

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

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

4. Material 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.

i. Revenue from supply of services

Revenue is recognised on rendering of services. Fixed revenues are recognised over the period of rendering of services.

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

ii. Revenue from Sale of trading goods

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 equipment.

iii. 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.

iv. Trade receivables

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

v. 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 Invoiced/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.

vi. 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.

b) Foreign currency transactions

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

Transactions in foreign currencies are initially recorded at the Rs. 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.

c) 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.

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

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.

d) Current / Non – Current Classification

An asset is classified as current when

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

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

A liability is classified as current when

- a) It is expected to be settled in the normal operating cycle of the Company;
- 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 Company 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.

e) Intangible Assets

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

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

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period, residual value and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Intangible assets are amortised on straight line method as under:

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

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.

f) Impairment of Non – Financial Assets

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

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

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.

g) 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.

h) 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.

i) Cash and cash equivalents

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

j) Financial Instruments

Initial recognition and measurement

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

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

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to 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:

- 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).

(a) Financial assets measured at amortised cost

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

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

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

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

(b) 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.

(c) Financial assets measured at FVTOCI

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 FVTOCI. 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).

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.

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Impairment of financial assets

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

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

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

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

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

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 11.

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.

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

De-recognition

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

iii. Offsetting financial instruments

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

k) Fair value measurement

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

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

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

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

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

l) Earnings per share

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

m) Provisions and Contingent Liabilities

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

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

Contingent Liabilities

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

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

n) Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'. Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value as on the acquisition date, which comprises the following:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Company

o) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (India Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS-117 Insurance Contracts (vide notification no G.S.R 492(E)) and amendments to Ind AS 116- Leases, relating to sale and leaseback transactions (vide notification no G.S.R 554(E)), applicable to the Company on or after April 1, 2024.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any material impact on the Financial Statements of the Company.

5. Use of Estimates, assumptions and judgments

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

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

A. Estimates and Assumptions

i. Taxes

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

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

ii. 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 11.

iii. Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Evaluations of uncertain provisions and contingent liabilities and assets requires judgement and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts. Refer note 28 for further details about Contingent liabilities.

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Note 6

Intangible assets

Particulars	Computer - Software
Cost	
As at April 1, 2023	4
Additions	-
As at March 31, 2024	4
Additions	-
Disposals/Adjustments	(4)
As at March 31, 2025	-
Accumulated Amortisation	
As at April 1, 2023	4
Amortisation charge for the year	-
As at March 31, 2024	4
Amortisation charge for the year	-
Disposals/Adjustments	(4)
As at March 31, 2025	-
Net Book Value	
As at March 31, 2025	-
As at March 31, 2024	-

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Note 7

Non-current investment

Particulars	As at March 31, 2025	As at March 31, 2024
Investments (Unquoted) at Fair Valuation Through Other comprehensive income (OCI)		
Investments of Equity instruments of Fellow Subsidiary		
Vodafone Idea Telecom Infrastructure Ltd. ('VITIL') (FVTOCI) - 45,000 fully paid equity shares of Rs. 10 each (March 31, 2024: Nil)	14,218	-
Add/(Less): Fair valuation through OCI	100	-
Total	14,318	-

During the year, the Company purchased 45,000 fully paid equity shares of Rs 10 each in its fellow subsidiary, Vodafone Idea Telecom Infrastructure Limited, for a consideration of Rs. 14,218 lakhs from its holding company, Vodafone Idea Limited. In line with the Company's accounting policy, and in accordance with Ind AS 109, the Company has elected to classify this investment as Fair Value Through Other Comprehensive Income (FVTOCI).

Note 8

Other non-current financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits and balances with government authorities	14	17
Interest receivable	1	1
Margin money deposits	18	28
Total	33	46

Note 9

Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	1	5
Advance income tax (Net)	195	45
Indirect taxes recoverable		
- Considered good	1	1
- Considered doubtful	549	549
Others (consisting mainly deposit against demands which are appealed against/subjudice)		
- Considered good	409	512
- Considered doubtful	1	1
	1,156	1,113
Allowance for doubtful advances (refer note 30)	(550)	(550)
Total	606	563

Note 10

Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
Handset, Data cards & Accessories ⁽¹⁾	104	92
Total	104	92

⁽¹⁾ Net of provision of Rs. 1 Lakh (March 31, 2024: Rs. 15 Lakhs) towards provision for non-moving inventory.

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Note 11

Trade receivables (Unsecured, unless otherwise stated) (Includes amount referred in Refer Note 36)

Particulars	As at March 31, 2025	As at March 31, 2024
Billed receivable - Considered good	1,700	1,416
Allowance for doubtful debts (refer note 30)	(3)	(16)
Total	1,697	1,400

The following is ageing schedule of trade receivables:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025						
Tradereceivables - billed						
Undisputed Trade receivables - considered good	1,698	.*	1	1	-	1,700
	1,698	.*	1	1	-	1,700
Less : Allowance for doubtful trade receivables - Billed						(3)
Total						1,697

As at March 31, 2024

Tradereceivables - billed						
Undisputed Trade receivables - considered good	381	480	548	.*	7	1,416
	381	480	548	.*	7	1,416
Less: Allowance for doubtful tradereceivables - Billed						(16)
Total						1,400

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

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Note 12

Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks in current accounts		
- In current accounts	379	1
- In deposit accounts	600	-
Total	979	1

Note 13

Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Margin money deposits	39	27
Total	39	27

Note 14

Loan to related parties (Unsecured, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Loans to related parties (refer note 36) ⁽¹⁾	9,850	22,487
Total	9,850	22,487

⁽¹⁾ Loan is repayable on demand on which Interest rate is from 7.0 % p.a. to 7.37 % p. a. (March 31, 2024 : 7.09 % p.a. to 7.4 % p.a.)

Note 15

Other current financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Interest receivable (Includes amount referred in note 36)	62	60
Total	62	60

Note 16

Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Indirect taxes recoverable	451	399
Prepaid expenses	6	12
Others		
- Considered doubtful	-	6
	457	417
Allowance for doubtful advances (refer note 30)	-	(6)
Total	457	411

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Note 17

Equity Share Capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Numbers	Amount	Numbers	Amount
Equity Share Capital				
Authorised share capital				
Equity Shares of Rs. 10 each	500,000,000	50,000	500,000,000	50,000
	500,000,000	50,000	500,000,000	50,000
Issued, subscribed and paid-up share capital				
Equity Shares of Rs. 10 each fully paid up	405,263,153	40,526	405,263,153	40,526
	405,263,153	40,526	405,263,153	40,526

a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2025		As at March 31, 2024	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	405,263,153	40,526	405,263,153	40,526
Issue of share capital	-	-	-	-
Equity shares outstanding at the end of the year	405,263,153	40,526	405,263,153	40,526

b) Terms/ rights attached to equity shares

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

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

Name of the shareholders	As at March 31, 2025		As at March 31, 2024	
	Numbers	%holding in the class	Numbers	%holding in the class
Equity shares of Rs. 10 each fully paid				
Vodafone Idea Limited, holding company and its nominees	405,263,153	100%	405,263,153	100%

Note 18

Other Equity

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Securities Premium Account		
Opening balance	18,208	18,208
Change during the year	-	-
Closing balance	18,208	18,208
(ii) Retained Earnings		
Opening balance	(34,516)	(35,538)
Profit / (Loss) after tax for the year	1,919	1,022
Closing balance	(32,597)	(34,516)
(iii) Equity instrument through other comprehensive income (OCI)		
Opening balance	-	-
Other Comprehensive Income/(Loss)	75	-
Closing balance	75	-
Total	(14,314)	(16,308)

Note 19

Other non-current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred revenue	3	6
Total	3	6

Vodafone Idea Communication Systems Limited
Financial Statements for the year ended March 31, 2025
(All amounts are in Rs. lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Note 20

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

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025						
(i) Micro enterprises and small enterprises	21	-	-	-	-	21
(ii) Others	1,813	8	5	2	102	1,930
	1,834	8	5	2	102	1,951
Accrued expenses						90
Total						2,041
As at March 31, 2024						
(i) Micro enterprises and small enterprises	17	19	-	-	-	36
(ii) Others	.*	42	8	2	104	156
	17	61	8	2	104	192
Accrued expenses						161
Total						353

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

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

The dues to micro and small enterprises as required under MSME Act, 2006, based on the information available with the Company, is given below:

Particulars	As at March 31, 2025	As at March 31, 2024
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	.*	17
(ii) The interest due on above	.*	-
The total of (i) & (ii)	.*	17
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	364	713
d) The amounts of interest accrued and remaining unpaid at the end of financial year	21	19
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	3	13

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

Note 21

Other current financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits from customers and others	.*	.*
Total	.*	.*

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

Note 22

Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Advance from customers and deferred revenue ⁽¹⁾	9	18
Taxes and other liabilities	-	1
Total	9	19

⁽¹⁾ Revenue recognised during the year from deferred revenue and advance from customers at the beginning of the year is Rs. 18 Lakhs (March 31, 2024: Rs. 61 Lakhs)

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Note 23

Other operating income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Liabilities no longer required written back	-	17
Miscellaneous receipts	2	2
Total	2	19

Note 24

Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income (Including amount referred in note 36)	1,436	1,565
Total	1,436	1,565

Note 25

Changes in inventories of stock in trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Stock at the end of the year	104	92
Less: Stock at the beginning of the year	92	1,527
(Increase) / Decrease in inventories⁽¹⁾	(12)	1,435

⁽¹⁾ Net of provision of Rs. 1 Lakh (March 31, 2024: Rs. 15 Lakhs) towards provision for non-moving inventory.

Note 26

Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Insurance	_*	_*
Infra sharing support charges (refer note 36)	320	320
Rates and taxes	12	1
IT service cost	-	12
Bad debts / advances written off	16	3
Allowances for doubtful debts and advances (refer note 30)	(19)	12
Directors sitting fees (refer note 36)	3	2
Legal and professional charges	14	16
Audit fees (refer note 32)	6	6
Support service charges (refer note 36)	67	78
Miscellaneous expenses	1	2
Total	420	452

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

Note 27

Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest		
- Others	33	13
Exchange difference (net)	2	1
Total	35	14

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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Notes to Financial Statements

Note 28

Contingent Liabilities

Disputed claims not acknowledged as debt:

Sr. No.	Description	As at	As at
		March 31, 2025	March 31, 2024
1	Sales Tax/Value Added Tax (refer note a below)	488	504
2	Customs matter and Entry Tax (refer note b below)	257	257
3	Service tax/Goods and Service Tax(GST) matters (refer note c below)	206	250
Total		951	1,011

a) Sales Tax / Value Added Tax

The Company had received demands for non-production of F & C forms for interstate sales as well as received VAT assessment orders. The Company has challenged these demands which are pending at various forums.

b) Customs matter and Entry Tax

- The Customs have disputed the classification of router imported by the Company. The Company has challenged these demands which are pending at appellate forum.

- The Company had received demand order/s in entry tax matters. The company has preferred appeals against those demands before appropriate appellate forums. The appeal matters are pending with the appellate authorities.

c) Service tax/Goods and Service Tax (GST) matters

The Company had received demand order/s for incorrect availment of CENVAT credit on trading activities. The company has preferred appeals against those demands before appropriate appellate forums. The appeal matters are pending with the appellate authorities.

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 claim will materialize and therefore, no provision has been recognised for the above.

Note 29

Details of Foreign Currency Exposures

Not hedged by a derivative instrument or otherwise

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Trade Payables		
In EURO ⁽¹⁾	1	1
Equivalent Rs. of Trade Payables in Foreign Currency ^{(1) & (2)}	98	96

⁽¹⁾An amount of EUR 1 Lakh (Rs. 98 Lakhs) is outstanding as at March 31, 2025 (March 31, 2024: Rs. 96 Lakhs) as payable to Vodafone Group Services Limited ("VGSL") towards Group service charges. As per RBI guidelines in respect to payment for import of goods and services, the Company may require approval from Authorised Dealer (Bank) / RBI at the time of making this payment, as the amount is outstanding for more than 3 years. The Company is confident of receiving such approvals at the time of actual remittance of such outstanding dues to VGSL.

⁽²⁾Amount in Rs. represents conversion at closing rate.

Note 30

Movement of Allowances for Doubtful Debts/Advances

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Opening Balance	572	560
Charged to Statement of Profit and Loss (Net) (refer note 26)	(19)	12
Closing Balance	553	572

Vodafone Idea Communication Systems Limited

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

Notes to Financial Statements

Note 31

Segment Information

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

Note 32

Auditor's Remuneration

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Statutory Audit Fees	6	6
Out of pocket expenses (included in Misc. Expenses)	_*	_*
Total Remuneration	6	6

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

(a) Major Component of Tax Expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current Tax		
Current Tax on profits for the year	5	355
Adjustments for current tax of prior periods ⁽¹⁾	(820)	18
Total Current Tax Expense (A)	(815)	374
Deferred Tax		
Relating to addition & reversal of temporary differences	9	(5)
Total Deferred Tax Expense (B)	9	(5)
Total Tax Expense (A+B)	(806)	369
Income tax effect of re-measurement (gains)/losses on defined benefit plans taken to to other comprehensive income / (loss)	25	-

⁽¹⁾ During the current year, based on the Company's assessment, excess tax provision amounting to Rs. 814 lakhs created in earlier years has been reversed.

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit / (Loss) before Income tax expense	1,113	1,391
Applicable Tax Rate	25.17%	25.17%
Increase/ (Decrease) in taxes on account of:		
Effect of items for which no deferred tax is recognised	0.00%	0.00%
Effects of expenses that are not deductible in determining the taxable losses	0.84%	0.23%
Effect of previously unrecognised DTA on loss, now recorded	-24.8%	0.00%
Adjustments for tax on prior period	-73.62%	1.13%
Effective tax rate	-72.42%	26.53%

(C) Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, the Company has not recognized deferred tax assets to the extent of carried forward tax losses of Rs. 8,188 lacs as at March 31, 2025 (March 31, 2024: Rs. Rs. 9,291 lacs).

Particulars	As at March 31, 2025	As at March 31, 2024
Within 0-5 years	-	-
From 5-10 years	8,188	9,291
Unlimited	-	-
Total	8,188	9,291

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Note 34

Movement in Deferred Tax

Particulars	As at April 1, 2023	Recognised in	As at March 31, 2024	Recognised in		As at March 31, 2025
		Profit and Loss		Profit and Loss	OCI	
Liabilities						
Investment in Fellow Subsidiary	-	-	-	-	25	25
Total (A)	-	-	-	-	25	25
Assets						
Provisions for doubtful debts and advances	149	2	151	(8)	-	143
Merger related exps(allowable us 35DD)	-	3	3	(1)	-	2
Total (B)	149	5	154	(9)	-	145
Net Deferred Tax Liabilities/ (assets) (A-B)	(149)	(5)	(154)	9	25	(120)

Note 35

Basic and Diluted Earnings / (Loss) per Share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Nominal value of equity shares (Rs.)	10/-	10/-
Profit / (Loss) after Tax	1,919	1,022
Profit / (Loss) attributable to equity shareholders	1,919	1,022
Weighted average number of equity shares outstanding during the year	405,263,153	405,263,153
Basic and Diluted Earnings per Share (Rs.)	0.47	0.25

Note 36

Related Party Transactions

The Company has transactions with below related parties:

Relationship	Related Party
Holding Company	Vodafone Idea Limited
Fellow Subsidiaries	Vodafone Idea Shared Services Limited You Broadband India Limited
Entities having significant influence	Vodafone Group Services Limited
Key Management Personnel (KMP)	Mrs. Tripti Desai (Non-Executive Director)
	Mr. Krishnan Ramachandran (Non-Executive Director)
	Mr. Venkatesh Vishwanathan (Appointed as Non-Executive Director on May 12, 2025) *
	Mr. Avneesh Khosla (Managing Director) *
	Mr. Rajendra Sethia (Appointed as CFO on March 24, 2025) *
	Mr. Bharat Kumar Jain (Appointed as CFO on October 23, 2023 and resigned on October 31, 2024) *
	Mr. Manoj Tibrewala (Resigned as CFO wef May 30, 2023) *

* No transactions during the year

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

A. Transactions with Related Parties for the year ended March 31, 2025 and March 31, 2024

Particulars	Holding Company	Fellow Subsidiaries	KMP
Sale of trading goods	1,766	-	-
	(718)	-	-
Purchase of services	321	67	-
	(321)	(78)	-
Reimbursement of expenses to	2	-	-
	(5)	-	-
Loans given during the year	1,100	1,050	-
	(14,712)	(8,820)	-
Loan repayment received during the year	14,767	20	-
	(12,833)	(8,901)	-
Interest income	763	654	-
	(888)	(650)	-
Investments in Equity instruments of Fellow	14,218	-	-
Subsidiary (refer note 7)	-	-	-
Director's sitting fees	-	-	3
	-	-	(2)

(Figures in brackets are for the year ended March 31, 2024)

B. Mr. Avneesh Khosla, Managing Director, draws NIL remuneration from the Company. He is an employee of Vodafone Idea Limited (VIL) and draws remuneration from VIL in his capacity of being an employee of VIL.

C. Balances with Related Parties

Particulars	Holding Company	Fellow Subsidiary	Entities having significant influence
Trade and other receivables	1,666	-	-
	(1,390)	-	-
Trade and other payables	-	1	98
	-	(1)	(96)
Interest Receivable	-*	52	-
	(10)	(50)	-
Outstanding loan receivable	-	9,850	-
	(13,667)	(8,820)	-

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

(Figures in brackets are as on March 31, 2024)

D. The significant related party transactions are summarised below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of service		
Vodafone Idea Shared Services Limited	67	78
Loan given during the year		
You Broadband India Limited	1,050	8,820
Loan repayment received during the year		
You Broadband India Limited	20	8,901
Interest Income		
You Broadband India Limited	654	650

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

E. Breakup of loans and advances in the nature of loans granted by Company :

Type of Borrower	As at March 31, 2025		As at March 31, 2024	
	Amount	% to the total	Amount	% to the total
Related Parties	9,850	100%	22,487	100%

Note 37

Financial Instruments

(i) Financial Instruments by Category:

The following table provides categorisation of all financial instruments at carrying value:

Particulars	As at March 31, 2025		As at March 31, 2024	
	FVTOCI	Amortised Cost	FVTOCI	Amortised Cost
Financial Assets				
Loan to related parties	-	9,850	-	22,487
Investment in fellow subsidiary	14,318	-	-	-
Trade receivables	-	1,697	-	1,400
Cash and cash equivalents	-	979	-	1
Margin money deposits ⁽¹⁾	-	57	-	55
Deposits and balances with government authorities ⁽¹⁾	-	14	-	17
Interest receivable ⁽¹⁾	-	63	-	61
Total Financial Assets	14,318	12,660	-	24,021

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	FVTOCI	Amortised Cost	FVTOCI	Amortised Cost
Financial Liabilities				
Trade payables	-	2,041	-	353
Security deposits from customers and others	-	.*	-	.*
Total Financial Liabilities	-	2,041	-	353

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

(ii) 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, 2025

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-current investments	-	14,318	-	14,318
Total Financial Assets	-	14,318	-	14,318

ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2024

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-current investments	-	-	-	-
Total Financial Assets	-	-	-	-

Valuation Technique used to determine fair value:

The valuation techniques used to determine the fair values of financial assets classified as level 2 include use of generally accepted pricing models based on a discounted cash flow analysis using rates currently available for instruments on similar terms.

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Note 38

Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables and Security deposits from customers and others. The Company's principal financial assets comprise investment in fellow subsidiary, loan to related parties, bank balance, Interest Receivable and trade and other receivables.

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

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 two types of risk: currency risk and other price risk, such as equity price risk. The Company does not have market risks.

a) Foreign currency risk

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

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

Foreign currency sensitivity

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

Currency exposure	Change in currency exchange rate	Effect on profit before tax
As at March 31, 2025		
EURO	5%	5
	-5%	(5)
As at March 31, 2024		
EURO	5%	5
	-5%	(5)

b) Credit risk

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

- Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 0 to 30 days' credit terms. Outstanding customer receivables are regularly monitored.

- Other financial assets and cash deposits

The Company maintains its Cash and cash equivalents with banks and financial institutions having good reputation, good past track record and high quality credit rating and also 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, 2025 and March 31, 2024 on its carrying amounts is disclosed in notes 8 and 11 to 15.

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

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 Financial liabilities of trade payables which are payable within one year. The Company has sufficient cash balance for settling its liabilities as and when they arise.

Note 39

Capital management

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

The Company has Financial liabilities of trade and other payables which are payable within one year. The Company maintains sufficient cash and other liquid financial assets to meet the payment of financial liabilities within the due dates.

Note 40

Ratios for the year ended March 31, 2025 and March 31, 2024

Particulars	As at March 31, 2025	As at March 31, 2024	%Variance	Reason for variance
Current Ratio ⁽¹⁾	6.43	24.08	-73%	Mainly due to decrease in current assets during the year
Return on Equity Ratio ⁽²⁾	8%	4%	77%	Mainly due to increase in net profit during the year
Inventory turnover ratio ⁽³⁾	18.79	2.49	655%	Mainly due to decrease in Inventory during the year
Trade Receivables turnover ratio (number of days) ⁽⁴⁾	286	251	14%	
Trade Payable turnover ratio ⁽⁵⁾	1.89	2.03	-7%	
Net capital turnover ratio ⁽⁶⁾	0.18	0.10	80%	Mainly due to decrease in net working capital during the year
Net profit ratio ⁽⁷⁾	97%	44%	119%	Mainly due to decrease in revenue from operations with higher profit margin
Return on Capital employed ⁽⁸⁾	-1%	-1%	66%	Mainly due to decrease in operating profit

⁽¹⁾ Current Ratio = [Current assets/Current liabilities]

⁽²⁾ Return on Equity Ratio = [Net Profit/(loss) after tax/ Average Equity]

⁽³⁾ Inventory turnover ratio = [Cost of goods sold/Average Inventory]

⁽⁴⁾ Trade Receivables turnover ratio = [(Average trade receivables/(Revenue from operations)*Number of days during the year]

⁽⁵⁾ Trade Payables turnover ratio = [Total purchases/Average Trade Payables]

⁽⁶⁾ Net capital turnover ratio = [Revenue from operations / (Current asset - Current liability)]

⁽⁷⁾ Net profit ratio = [Profit after tax/Revenue from operations]

⁽⁸⁾ Return on Capital employed = [(Profit/(loss) before tax + Finance costs (net of Other income)) / (Equity share capital + Other equity)]

Note 41

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

The details of loan given by the Company are as follows:

Name of the party	Relationship	As at March 31, 2025	As at March 31, 2024	Purpose of loan	Rate of Interest *
Vodafone Idea Limited	Holding Company	-	13,667	General Corporate Purpose	7.00%
You Broadband India Limited	Fellow Subsidiaries	9,850	8,820	General Corporate Purpose	7.00%
Total		9,850	22,487		

* Rate of Interest as at March 31, 2024 was 7.37%

Vodafone Idea Communication Systems Limited

Financial Statements for the year ended March 31, 2025

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

Notes to Financial Statements

Note 42

The Company uses accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

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 Communication Systems Limited

Sd/-

Amit Poddar

Partner

Membership No.: 509192

Sd/-

Avneesh Khosla

Managing Director

(DIN: 07775577)

Sd/-

Venkatesh Viswanathan

Director

(DIN: 03122706)

Sd/-

Rajendra Sethia

Chief Financial Officer

Sd/-

Hari Gopalakrishnen

Company Secretary

Membership No.: A-21015

Place: Mumbai

Date: May 12, 2025

Place: Mumbai

Date: May 12, 2025