



11 January 2022

National Stock Exchange of India Limited

“Exchange Plaza”,
Bandra - Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sirs,

Sub: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015 – Outcome of Board meeting

Ref: “Vodafone Idea Limited” (IDEA / 532822)

As communicated earlier, the Department of Telecommunications (DoT) had, vide its communication dated 14th October, 2021 (DoT Communication), provided various options to the Company in connection with Telecom Reforms Package. The options that were made available to the Company pursuant to the aforesaid DoT Communication, were as under:

- (a) Defer payment of Spectrum Auction Instalments due upto 4 years with immediate effect, excluding the instalments due in respect of Spectrum Auction 2021.
- (b) One-time opportunity to opt for deferment of AGR related dues as determined by Hon'ble Supreme Court in the AGR case, by a period of 4 years with immediate effect.
- (c) One-time opportunity to exercise the option of paying interest for the 4 years of deferment on the deferred spectrum instalments and AGR dues by way of conversion into equity of the NPV of such interest amount.

The Board of Directors of the Company, at its meetings held on 18 October 2021 and 27 October 2021, had approved: (a) deferment of Spectrum Auction Instalments due upto 4 years; and (b) deferment of AGR related dues by 4 years. The same was duly communicated to the stock exchanges by the Company.

It is further informed that the DoT communication had also provided a time period of 90 days to the Company to exercise the option of converting the interest that would accrue on instalment payment during the moratorium period into equity in the following manner:

- (i) The details of interest amount to be furnished by the Company and thereafter certified by the DoT.
- (ii) NPV of the Interest amount to be calculated as on the date of exercise of option.
- (iii) The Valuation of the Equity Shares pursuant to conversion to be done as under:
 - An order u/s 62(4) of the Companies Act, 2013 will be issued by the competent authority;
 - The Equity Shares would be issued to the Government on preferential basis;
 - The relevant date for pricing would be 14.08.2021; and



- The price shall be equal to higher of the average of weekly high and low of the volume weighted average price of the equity shares during the last 26 weeks preceding the relevant date or two weeks preceding the relevant date, subject to provisions of section 53 of the Companies Act (price cannot be less than par value).
- (iv) Government, at its sole discretion, may convert any part of such loan to preference shares instead of equity shares and such preference shares may be optionally or compulsorily convertible and/or redeemable and/or participating in nature.
- (v) The shares may be held through the statutory undertaking of the Unit Trust of India (SUUTI) on behalf of the Government of India or by any trustee-type or other suitable arrangement.

With this background, it is now informed that the Board of Directors, at its meeting held on 10th January, 2022, has approved the conversion of the full amount of such interest related to spectrum auction instalments and AGR Dues into equity. The Net Present Value (NPV) of this interest is expected to be about Rs.16,000 crore as per the Company's best estimates, subject to confirmation by the DoT. Since the average price of the Company's shares at the relevant date of 14.08.2021 was below par value, the equity shares will be issued to the Government at par value of Rs. 10/- per share, subject to final confirmation by the DoT. The conversion will therefore result in dilution to all the existing shareholders of the Company, including the Promoters. Following conversion, it is expected that the Government will hold around 35.8% of the total outstanding shares of the Company, and that the Promoter shareholders would hold around 28.5% (Vodafone Group) and around 17.8% (Aditya Birla Group), respectively.

The governance and other rights of the Promoter shareholders are governed by a Shareholders Agreement (SHA) to which the Company is a party and are also incorporated in the Articles of Association of the Company. The rights are subject to a minimum Qualifying Threshold of 21% for each Promoter group, and in light of the conversion of interest into equity, the Promoters have mutually agreed to amend the existing SHA for reducing the minimum Qualifying Threshold from 21% to 13% for the purpose of exercising certain governing rights e.g. appointment of directors and relating to appointment of certain key officials etc. The Board has also taken note of the proposed changes to the existing SHA, and accordingly authorised execution of the same and also recommended changes in the Articles of Association (AoA) to give effect to the changes in the SHA. The amendment to the AoA shall be subject to the approval of shareholders in general meeting, for which the Board has authorised officials of the Company to decide the date of shareholders meeting in accordance with the terms of the amendment to the existing SHA as approved by the Board.

The above is for your information and dissemination to the members.

Thanking you,

Yours truly,

For **Vodafone Idea Limited**

Pankaj Kapdeo
Company Secretary