

7 September 2020

**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: Notice of 25<sup>th</sup> Annual General Meeting and Annual Report for the year ended 31<sup>st</sup> March, 2020**

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

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Notice of the 25<sup>th</sup> Annual General Meeting of the Company along with the Annual Report for the financial year ended 31<sup>st</sup> March, 2020.

The Notice of the AGM and the Annual Report are being dispatched electronically to those members whose e-mail ids are registered with the Company / Depositories.

The Notice of the AGM and Annual Report is also being uploaded on the Company’s website and can be accessed at [www.vodafoneidea.com](http://www.vodafoneidea.com).

The above is for your information and records please.

Thanking you,

Yours truly,

For **Vodafone Idea Limited**



**Pankaj Kapdeo**  
**Company Secretary**

Encl: As above

**VODAFONE IDEA LIMITED**

(Formerly Idea Cellular Limited)

CIN: L32100GJ1996PLC030976

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

E-mail: [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com) Website: [www.vodafoneidea.com](http://www.vodafoneidea.com)

Tel.: + 91-79-66714000 Fax: +91-79-23232251

**NOTICE OF THE TWENTY FIFTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Vodafone Idea Limited (Formerly Idea Cellular Limited) will be held on Wednesday, the 30<sup>th</sup> day of September, 2020, at 2:30 p.m. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements for the Financial Year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Debnarayan Bhattacharya (DIN:00033553), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vivek Badrinath (DIN:07319718), who retires by rotation, and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:****4. Ratification of remuneration payable to Cost Auditors for Financial Year 2020-21**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹ 12,00,000/- (Rupees Twelve Lacs only) plus applicable taxes and reimbursement of travel and out of pocket expenses, to be paid to M/s. Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2021.

RESOLVED FURTHER THAT the Board (including any Committee thereof) be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**5. Appointment of Mr. Ravinder Takkar as Managing Director & Chief Executive Officer (DIN - 01719511) for a period of three years**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and the approval of the Nomination & Remuneration Committee and the Board of Directors, the approval of the members be and is hereby accorded to the appointment of Mr. Ravinder Takkar (DIN:01719511) as the Managing Director & Chief Executive Officer

of the Company for a period of 3 (three) years with effect from August 19, 2019 on the following terms and conditions with further liberty to the Board of Directors from time to time to alter the said terms and conditions of appointment of Mr. Ravinder Takkar in the best interests of the Company and as may be permissible at law viz.:

A. Period:

3 (Three) years with effect from August 19, 2019 with liberty to either party to terminate the appointment on three months' notice in writing to the other.

B. Remuneration:

NIL Remuneration

C. Other Terms:

(i) The Company may bear all the expenses of/ for Mr. Takkar relating to travelling, lodging and boarding, entertainment and all other incidental expenses for the business of the Company as per policy of the Company.

(ii) Leave: As per the policy of the Company.

D. Subject as aforesaid, the Managing Director & Chief Executive Officer shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

E. So long as Mr. Takkar functions as the Managing Director & Chief Executive Officer of the Company, he shall not be paid any sitting fees for attending the meetings of the Board of Directors of the Company or any Committee(s) thereof.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 203 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Ravinder Takkar shall also be a Key Managerial Personnel of the Company during the term of his appointment."

## 6. Approval of Material Related Party Transactions with Indus Towers Limited

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to ratify/approve all existing contracts/ arrangements/ agreements/transactions and to enter into new/ further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations or amendments thereto), in the ordinary course of business and on an arm's length basis with Indus Towers Limited ("Indus") a 'Related Party' within the meaning of the Act and the Listing Regulations, as more particularly enumerated in the explanatory statement to the Notice and on such terms and conditions as may be agreed between the Company and Indus.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient to give effect to the this resolution."

## 7. Approval of Material Related Party Transactions with Bharti Infratel Limited

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to ratify/approve all existing contracts/ arrangements/ agreements/transactions and to enter into new/ further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations or amendments thereto), in the ordinary course of business and on an arm's length basis with Bharti Infratel Limited ("BIL") which, pursuant to the scheme of amalgamation and arrangement between Indus Towers Limited and BIL becoming effective, BIL (or the merged entity) will be treated as a joint venture of the Vodafone group and therefore be a 'Related Party' of the Company within the meaning of Indian Accounting Standard (Ind-AS) 24 in relation to 'Related Party Disclosures' and the Listing Regulations, as more particularly enumerated in the explanatory statement to the Notice and on such terms and conditions as may be agreed between the Company and BIL.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient to give effect to the this resolution."

## 8. Borrowing Powers of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in supersession of special resolution passed by the members of the Company at the Annual General Meeting held on September 26, 2014 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow for and on behalf of the Company, from time to time as they may consider fit, any sum or sums of money, in Indian Rupees or any other foreign currency, from bank(s) or financial institution(s), other person or persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans and credits obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid-up share capital, free reserves, that is reserves not set apart for any specific purpose, and securities premium account, provided that the total amount so borrowed and outstanding at any time shall not exceed ₹ 1,00,000 crore (Rupees One Lakh Crore only) or the aggregate of the paid-up capital, free reserves and securities premium account of the Company, whichever is higher.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution the Board be and is hereby authorized to do all such acts, deeds, matters and things, to execute all such documents, instruments and writings as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

## 9. Creation of security on the properties of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of special resolution passed by the members of the Company at the Annual General Meeting held on September 26, 2014 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("the Act"), and the Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), for creation of charge/mortgage/pledge/hypothecation, in addition to existing charge/mortgage/pledge/hypothecation, on all or any of the moveable and/or immoveable properties, tangible and/or intangible assets of the Company, both present and future and/or the whole or any part of one or more of the undertaking(s) of the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, in favour of the bank(s), financial institution(s), lender(s), other investing agencies, trustee(s) or any person, for securing the borrowings availed/to be availed by the Company by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the agent(s), trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the loan agreement(s), debenture trust deed(s) or any other document, entered into/to be entered into between the Company and the lender(s), agent(s), trustee(s), agency(ies) or any person, in respect of the said loans/borrowings/debentures/securities and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lender(s), agent(s), trustee(s), agency(ies) or any person.

**RESOLVED FURTHER THAT** the securities to be created by the Company as aforesaid may rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or persons authorised by the Board, be and are hereby authorised to finalise, settle and execute such documents/deeds/writings/agreements as may be required, and to accept any modification(s) to, or to modify, alter, vary, the terms and conditions thereof and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid or otherwise considered to be in the best interests of the Company."

## 10. Alteration of Articles of Association of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules framed thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such other requisite approvals, if



any, required from appropriate authorities, consent of the members of the Company be and is hereby accorded for alteration to the Articles of Association of the Company by deleting Article 74A of the Articles of Association, appearing immediately after Article 74, as set out hereunder:

*" 74A. No person / group of persons shall acquire any shares of the Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of the Company unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons."*

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**11. Issuance of securities for amount not exceeding ₹ 15,000 crore**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company and pursuant to the provisions of Sections 23, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force (the "**Companies Act**") and the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the Foreign Exchange Management Act, 1999, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force (the "**FEMA**"), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, as amended and replaced from time to time (the "**FDI Policy**"), the relevant regulations of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, including any amendment(s), modification(s), variation or re-enactment thereof (the "**ICDR Regulations**"), the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended (the "**FCCB Scheme**"), the Depository Receipts Scheme, 2014 (the "**GDR Scheme**"), the applicable listing agreement(s) entered into by the Company with the Stock Exchange(s) where the equity shares of the Company of the face value of ₹ 10/- each (the "**Equity Shares**") are listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") to the extent applicable, and all other applicable statutes, clarifications, rules, regulations, circulars, notifications, guidelines, as may be applicable, and as amended from time to time, issued by the Government of India (the "**Gol**"), Ministry of Corporate Affairs (the "**MCA**"), Reserve Bank of India (the "**RBI**"), Securities and Exchange Board of India (the "**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively referred to as "**Stock Exchanges**") and/or any other regulatory/statutory authorities in India or abroad from time to time, to the extent applicable and subject to all other approval(s), consent(s), permission(s) and/or sanction(s) as may be required from any regulatory/statutory authorities and guidelines and clarifications issued thereon from time to time, including by the Gol, MCA, RBI, SEBI and the Stock Exchanges (hereinafter singly or collectively referred to as the "**Appropriate Authorities**") as may be required and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approvals, consents, permissions and sanctions, which

may be agreed to by the Board of Directors of the Company (the "Board") (which term shall be deemed to include any committee constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the best interest of the Company, the consent of the Members of the Company be and is hereby accorded to create, issue, offer and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), for cash at such price that may be decided by the Board in terms of the applicable regulations and as permitted under the applicable law, in one or more tranches, with or without green shoe option for an aggregate amount of up to ₹ 15,000 Crore (Rupees Fifteen Thousand Crore only) to such investors, whether Indian or foreign, that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers (the "QIBs") as defined in the ICDR Regulations, by way of a public issue, preferential allotment, private placement, including a qualified institutions placement (the "QIP") in accordance with the provisions of Chapter VI of the ICDR Regulations, or through any other permissible mode and/or combination thereof as may be considered appropriate, by way of issue of equity shares or by way of issue of any instrument or security including fully/partly convertible debentures, warrants, securities convertible into Equity Shares, Global Depository Receipts (the "GDRs"), American Depository Receipts (the "ADRs") or Foreign Currency Convertible Bonds (the "FCCBs"), or by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for equity shares and/or any other eligible securities which may or may not be listed (instruments mentioned above collectively with the Equity Shares to be hereinafter referred to as the "Securities") or any combination of Securities, with or without premium or discount (as may be permitted), to be subscribed to in Indian and/or any foreign currency(ies) by all eligible investors, including resident and/or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or trusts or otherwise)/ foreign portfolio investors/mutual funds/pension funds/venture capital funds/banks/alternate investment funds/Indian and/or multilateral financial institutions, insurance companies and any other category of persons or entities who/which are authorised to invest in Securities of the Company as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company (collectively referred to as the "Investors"), to all or any of them, jointly and/or severally through an offer/placement document and/or other letter or circular and/or on private placement basis, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, including securities premium, or its equivalent amount in such foreign currencies as may be necessary inclusive of any premium and green shoe option attached thereto, in one or more tranche or tranches, at such price or prices, (whether at prevailing market price or at permissible discount or premium to market price in terms of applicable regulations) and on such terms and conditions at the Board's absolute discretion including the discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company and where necessary in consultation with the book running lead managers and/or underwriters and/or stabilizing agent and/or other advisors or otherwise on such terms and conditions, including making of calls and manner of appropriation of application money or call money, in respect of different class(es) of Investor(s) and/or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be issued and allotted on conversion/redemption/extinguishment of debt(s), rights attached to the warrants, terms of issuance, period of conversion, fixing of record date or book closure dates, if any, as the Board may in its absolute discretion decide, in each case, subject to the applicable laws.

**RESOLVED FURTHER THAT** the relevant date for the purpose of pricing the Securities shall be the meeting in which the Board or any Committee duly authorised by the Board decides to open the issue of such Securities, in terms of the Companies Act, the ICDR Regulations, the FCCB Scheme, the GDR Scheme and other applicable laws, regulations and guidelines; in the event that convertible securities (as defined under the **ICDR Regulations**) are issued to QIBs by way of a QIP, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board or any Committee duly authorised by the Board.

**RESOLVED FURTHER THAT** in case of an issue and allotment of Securities by way of a QIP in terms of Chapter VI of the ICDR Regulations:

- (i) the allotment of Securities, or any combination of Securities as may be decided by the Board, shall be completed within 365 days from the date of the resolution of the members of the Company or such other time as may be allowed under the ICDR Regulations;
- (ii) the Equity Shares (including issuance of the Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering) issued shall rank *pari passu* in all respects including entitlement to dividend with the existing Equity Shares of the Company as may be provided under the terms of issue and in accordance with the placement document(s);
- (iii) any issue of Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations (the "**QIP Floor Price**"). The Board may, however, in its absolute discretion, issue Equity Shares at a discount of not more than five percent or as may be in accordance with the applicable law on such QIP Floor Price;
- (iv) the allotment to a single Qualified Institutional Buyer (QIB) in the proposed QIP issue will not exceed 50% of the total issue size or such other limit as may be permitted under applicable law; and
- (v) the Securities shall not be sold for a period of one year from the date of allotment, except on a recognised Stock Exchange or except as may be permitted from time to time by the ICDR Regulations.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, issue price and discounts permitted under applicable law, premium amount on issue/conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and



executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) or agreements including but not limited to prospectus and/or letter of offer and/or circular and/or offering circular and/or placement memorandum and/ or preliminary placement documents and/or placement document, registration statement and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or Stock Exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise with regard to the issue, offer or allotment of Securities and take all such steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion, deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of its powers herein conferred by this resolution to any Committee duly authorised by the Board or subject to applicable law to any one or more director and/or any one or more officers of the Company to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto.”

By Order of the Board  
For **Vodafone Idea Limited**  
(Formerly *Idea Cellular Limited*)



**Pankaj Kapdeo**  
**Company Secretary**  
Membership No.:ACS-9303

Place : Mumbai  
Date : September 4, 2020

**Registered Office:**

Suman Tower,  
Plot No. 18, Sector - 11,  
Gandhinagar - 382 011, Gujarat  
CIN: L32100GJ1996PLC030976  
E-mail: shs@vodafoneidea.com  
Website: www.vodafoneidea.com  
Tel.: + 91-79-66714000, Fax: +91-79-23232251

## NOTES:

### GENERAL:

1. In view of the continuing restrictions on the movement of people at several places in the country, due to the outbreak of COVID-19, the Ministry of Corporate Affairs, Government of India ('MCA'), and the Securities and Exchange Board of India ('SEBI'), have allowed companies to conduct Annual General Meetings ('AGM') through Video-Conferencing ('VC') / Other Audio-Visual Means ('OAVM') during the calendar year 2020, without the physical presence of members. This also addresses the health and safety of the members.

This AGM is being convened in compliance with applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder; provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'); the provisions of General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020; General Circular No.17/2020 dated April 13, 2020 issued by the MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, ('MCA and SEBI Circulars').

2. An Explanatory Statement pursuant to Section 102 of the Act, in respect of Item nos. 4 to 11 of the Notice set out above, is annexed hereto. The Board of Directors have considered and decided to include Item Nos. 4 to 11 as Special Business as they are unavoidable in nature. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, ('ICSI') in respect of Director seeking re-appointment at this AGM is annexed.
3. In accordance with the Secretarial Standard - 2 on General Meetings issued by the ICSI read with Clarification / Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company i.e. Suman Tower, Plot No. 18, Sector 11, Gandhinagar – 382 011, Gujarat, which shall be the venue of the AGM. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. In compliance with the provisions of Section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Listing Regulations and MCA circulars, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in this Notice. The Company has appointed National Securities Depository Limited ('NSDL') for facilitating voting through electronic means, as the authorized agency. The members may cast their votes using an electronic voting system from a place other than the venue of the AGM ('remote e-voting'). The instructions for e-voting are enclosed with this Notice.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested,

maintained under Section 189 of the Act, the certificate from the statutory auditors of the Company certifying that the ESOS Schemes of the Company are being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection by the members through electronic mode during the AGM.

The aforesaid documents along with documents referred to in the Notice will also be available electronically for inspection by the members, without payment of any fees, from the date of circulation of this Notice up to the date of AGM i.e. Wednesday, the 30th day of September, 2020 members seeking inspection of the aforementioned documents can send an e-mail to [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com).

8. The members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for minimum 1,000 members on 'first come first serve' basis. This will not include large Shareholders (Shareholders holding 2% or more Equity Shares), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.
9. Institutional / Corporate Shareholders intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Act, are requested to e-mail certified copy of the Board / governing body resolution / authorisation etc. authorising their representatives to attend and vote on their behalf at e-mail ID [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
10. At the Twenty Second AGM held on June 30, 2017 the members approved appointment of M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Twenty Seventh AGM, subject to ratification of their appointment by members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Twenty Fifth AGM.

#### **DISPATCH OF ANNUAL REPORT:**

11. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report is being sent through e-mail to those members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
12. Members who have still not registered their e-mail IDs are requested to do so at the earliest. Members holding shares in electronic mode can get their e-mail IDs registered by contacting their respective Depository Participant. Members holding shares in physical mode are requested to register their e-mail IDs with the Company or the RTA (M/s Bigshare Services Pvt. Ltd.), for receiving the Notice and Annual Report. Requests can be e-mailed to [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com) or [investor@bigshareonline.com](mailto:investor@bigshareonline.com). We urge members to support this Green Initiative effort of the Company and get their e-mail IDs registered.

#### **BOOK CLOSURE:**

13. The Register of Members and Share Transfer Books in respect of Equity Shares of the Company will remain closed from Wednesday, the 23rd day of September, 2020 to Wednesday, the 30th day of September, 2020 (both days inclusive) for the purpose of Annual General Meeting.

**DECLARATION OF RESULT:**

14. The Board of Directors has appointed Mr. Umesh Ved, proprietor of Umesh Ved & Associates, Practicing Company Secretaries, as a Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
15. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
16. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

**UNPAID DIVIDEND AND TRANSFER TO IEPF ACCOUNT:**

17. In terms of the provisions of Section 124(5) of the Act, dividend for the Financial Year 2012-13 and the dividends for the subsequent financial years, which remain unpaid or unclaimed for a period of seven years will be transferred to IEPF.

Further, in terms of the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more from the date of declaration will also be transferred to an account viz. IEPF Suspense Account, which is operated by the IEPF Authority in terms of the IEPF Rules.

18. Members, who have so far not encashed their dividend relating to the Financial Year 2012-13 are requested to do so by September 21, 2020, by writing to [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com) or to [investor@bigshareonline.com](mailto:investor@bigshareonline.com), failing which the dividend and the equity shares relating thereto will be transferred to the IEPF and the IEPF Suspense Account respectively.

**OTHER USEFUL INFORMATION:**

19. Members are requested to read the 'Shareholder Information' section of the Annual Report for useful information.
20. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs, and those holding shares in physical form are requested to submit their PAN to the Company's Registrar and Transfer Agent.
21. In terms of the amendments to the Listing Regulations, with effect from April 1, 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialised form with the depository, i.e., NSDL and CDSL. Members are, therefore, requested to demat their physical holding for any further transfer. Members can, however, continue to make request for transmission or transposition of securities held in physical form.
22. Members who hold shares in the dematerialised form and desire a change/correction in the bank account details, should intimate the same to their concerned DPs and not to the Company's RTA. Members are also requested to give the MICR Code of their banks to their DPs. The Company/Company's RTA will

not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered as will be furnished by the DPs to the Company.

**PROCEDURE FOR JOINING AGM THROUGH VC / OAVM:**

23. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-voting system of NSDL.
24. Members are encouraged to join the Meeting through Laptops for better experience.
25. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
26. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
27. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, e-mail id, mobile number at [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com) during the period i.e. Friday, the 25th day of September, 2020 from 09:00 A.M. to Monday, the 28th day of September, 2020 upto 5:00 P.M.
28. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, e-mail id, mobile number at [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com) during the period i.e. Friday, the 25th day of September, 2020 from 09:00 A.M. to Monday, the 28th day of September, 2020 upto 5:00 P.M.  
The same will be replied by the Company suitably.
29. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

**PROCEDURE FOR REMOTE E-VOTING AND VOTING DURING AGM:**

30. Members are requested to attend and participate in the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during the AGM.
31. The facility of e-voting during the AGM will be available to those Members who have not cast their vote by remote e-voting. Members, who have cast their vote by remote e-voting, may attend the AGM through VC/ OAVM but will not be entitled to cast their vote once again on resolutions.
32. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll Free No.: 1800-222-990 or send a request to Mrs. Sarita Mote, Assistant Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



33. The remote e-voting period commences on Sunday, the 27th day of September, 2020 at 09:00 A.M. and ends on Tuesday, the 29th day of September, 2020, at 05:00 P.M. During this period, Members of the Company holding shares either in physical form or in demat form, as on the cut-off date i.e. Wednesday, the 23rd day of September, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**PROCEDURE FOR CASTING VOTE ELECTRONICALLY USING NSDL E-VOTING SYSTEM:**

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

**Step 1:** Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

**Step 2:** Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your USER-ID details are given below:
  - (a) For Members who hold shares in demat account with NSDL : 8 Character DP ID followed by 8 Digit Client ID: For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*.
  - (b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID: For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*.
  - (c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company: For example if folio number is 001\*\*\* and EVEN is 123456 then user ID is 123456001\*\*\*.
5. Your password details are given below:
  - (a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - (b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - (c) How to retrieve your 'initial password'?
    - (i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account,

last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail ids are not registered.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
    - (a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - (b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - (c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-voting will open.

**Details on Step 2 is mentioned below:**

**How to cast your vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

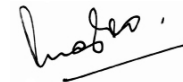
1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com).

3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

By Order of the Board  
For **Vodafone Idea Limited**  
*(Formerly Idea Cellular Limited)*



**Pankaj Kapdeo**  
**Company Secretary**  
Membership No.: ACS-9303

Place : Mumbai  
Date : September 4, 2020

## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

Pursuant to Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 11 of the accompanying Notice dated September 4, 2020.

#### **Item No. 4**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 ("the Act"), read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

The Board of Directors of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Sanjay Gupta & Associates, Cost Accountants as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2021, at a remuneration of ₹ 12,00,000/- plus applicable taxes and reimbursement of travel and out of pocket expenses.

M/s. Sanjay Gupta & Associates, Cost Accountants have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

As per the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing the resolution as set out in Item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2021.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board accordingly recommends the ordinary resolution as set out in Item No. 4 of this Notice for your approval.

#### **Item No. 5**

Consequent to resignation of Mr. Balesh Sharma as the Chief Executive Officer of the Company, the Nomination and Remuneration Committee of the Company at its meeting held on August 19, 2019 after taking into consideration the vast and valuable experience of Mr. Ravinder Takkar (DIN: 01719511), recommended his appointment as the Managing Director & Chief Executive Officer of the Company for a period of 3 years with effect from August 19, 2019. At the Board Meeting of the Company held on even date, the Board of Directors of the Company had approved, the appointment of Mr. Ravinder Takkar as Managing Director & Chief Executive Officer with effect from August 19, 2019 on NIL remuneration, subject to the approval of the shareholders. Until then Mr. Ravinder Takkar was a Non-Executive Director of the Company who had been nominated on the Board by the Vodafone Group.

Mr. Ravinder Takkar holds a Bachelors degree in Science from Loyola Marymount University, USA in 1991. He has an overall work experience of 26+ years of which 22+ years are with Vodafone. As a Chairman of Vodafone Group Services he has an array of skillsets in Business Strategy, Business Planning and Development. In January 2006, he was appointed as Vodafone secondee in Airtel as Director – Data services and thus began his career in Indian telecom sector. From January 2007 to December 2011, he became Director – Strategy & Business development to CEO – Enterprise Unit to Regional Director AMAP in India. In January 2012, he was appointed as CEO, Partner markets and operated from United Kingdom; and his latest role as CEO Vodafone Romania ended in July 2017.

Except Mr. Ravinder Takkar and his relatives, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolution.

Considering the background, competence and experience of Mr. Ravinder Takkar and his past several years of experience in telecom, the Board appointed Mr. Ravinder Takkar as the Managing Director & Chief Executive Officer of the Company for a period of 3 years with effect from August 19, 2019 on the terms and conditions as set out in the resolution.

The Board accordingly recommends the ordinary resolution as set out in Item No. 5 of this Notice for your approval.

**Item No. 6**

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Company is required to obtain the consent of its Board and prior approval of the members by way of ordinary resolution in case a certain transaction or series of transactions with a related party exceeds such sum as specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on an arm's length basis.

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), approval of the members through ordinary resolution is required for all material related party transactions, even where such transactions are entered into in the ordinary course of business and on an arm's length basis. Under the Listing Regulations, a transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. No related party of the Company shall vote to approve a resolution for such a related party transaction, irrespective of whether such related party is a party to the particular transaction.

Indus Towers Limited ("Indus"), being a joint venture of the Company, is a 'Related Party' of the Company under Section 2(76) of the Act. The Company has existing arrangements with Indus which are in the ordinary course of business and on an arm's length basis.

Indus is currently one of the world's largest tower company providing passive infrastructure services and related operations and maintenance services to various telecom operators in India, including your Company. Indus is a three-way joint venture between the Bharti Group, Vodafone Group and erstwhile Aditya Birla Telecom Limited (which has now merged into the Company). Your Company had entered into a Master Service Agreement ("MSA") with Indus in 2008 for availing passive infrastructure services provided by them in certain service areas. The MSA requires individual tenancy service contracts to be executed for each passive infrastructure site, the terms of which vary depending on the location, type of site, number of existing tenants, etc., and contain lock in periods for ensuring continuity. Such terms are similarly applicable to all other telecom providers having arrangements with Indus.

The particulars of the contract / arrangement with Indus are as under:

Particulars	Information
<b>Name of the Related Party and Nature of Relationship</b>	Indus Towers Limited ("Indus") Associate company being a joint venture of the Company
<b>Nature of Contract</b>	Master Service Agreement ("MSA") for Passive Infrastructure services and related Operations & Maintenance services



Particulars	Information
<b>Duration of Contract</b>	The maximum term of each tenancy service contract executed for each passive infrastructure site under the MSA is 10 years, with either party having a right to terminate, subject to certain conditions.
<b>Salient features of Contract</b>	Passive Infrastructure services are provided by Indus mainly on co-sharing basis for each passive infrastructure site, after obtaining necessary approvals, which enables the Company to deploy active telecommunications equipment on sites for providing telecom services.
<b>Date of Approval of the Board / Audit Committee</b>	Audit Committee : June 30, 2020 Board Meeting : June 30, 2020
<b>Value of Transaction for the year ended March 31, 2020</b>	₹ 8,009 Crore
<b>Estimated Value of Transactions</b>	Approximately ₹ 10,000 Crore each Financial Year

Based on the audited financial statements for the year ended March 31, 2020, the estimated value of transactions with Indus in respect of Financial Year 2020-21 and the estimated value of transactions from the next Financial Year onwards is likely to exceed 10% of the annual consolidated turnover of the Company. Thus, the transactions with Indus will be considered as material related party transactions under the Listing Regulations and would require the approval of the members by way of an ordinary resolution.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, except Mr. Akshaya Moondra (Chief Financial Officer), who is representative of the Company on the Board of Indus and Mr. Ravinder Takkar, Managing Director & Chief Executive Officer and Mr. Thomas Reisten, Non-Executive Director of the Company who are nominees of Vodafone Group on the Board of Indus and may be considered as deemed to be concerned or interested in the said resolution due to their Directorship on the Board of Indus.

The Board accordingly recommends the ordinary resolution as set out in Item No. 6 of this Notice for your approval.

#### **Item No. 7**

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Company is required to obtain the consent of its Board and prior approval of the members by way of ordinary resolution in case a certain transaction or series of transactions with a related party exceeds such sum as specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on an arm's length basis.

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), approval of the members through ordinary resolution is required for all material related party transactions, even where such transactions are entered into in the ordinary course of business and on an arm's length basis. Under the Listing Regulations, a transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. No related party of the Company shall vote to approve a resolution for such a related party transaction, irrespective of whether such related party is a party to the particular transaction.

The members are informed that Indus Towers Limited ("Indus") (a joint venture of the Company) is in the process of being merged with and into Bharti Infratel Limited ("BIL"). Upon completion of the said merger, BIL (which is currently not a related party) will become a 'Related Party' of the Company for the purposes of the Listing Regulations under Indian Accounting Standard (Ind-AS) 24 in relation to 'Related Party Disclosures' on the basis that both entities will be joint ventures of the same third party (Vodafone Group).

The Company has existing arrangements under Master Service Agreements ("MSAs") with Indus as well as BIL, which are in the ordinary course of business and on an arm's length basis. Following the merger of Indus with and into BIL, the estimated value of transactions with the merged entity i.e. BIL (including those transactions between the Company and Indus) in respect of Financial Year 2020-21 and the estimated value of transactions from next Financial Year is likely to exceed 10% of the annual consolidated turnover of the Company, based on the audited financial statements for year ended March 31, 2020. Thus, the transactions entered into by the Company with the merged entity will be considered as material related party transactions under the Listing Regulations and would require the approval of the members by way of an ordinary resolution.

On completion of the merger of Indus with BIL, the merged entity will be one of the world's largest tower company providing passive infrastructure services and related operations and maintenance services to various telecom operators in India, including your Company. Your Company had entered into MSAs with BIL and Indus in 2008 and 2009 for availing passive infrastructure services provided by them in certain service areas. The MSA requires individual tenancy service contracts to be executed for each passive infrastructure site, the terms of which vary depending on the location, type of site, number of existing tenants, etc., and contain lock in periods for ensuring continuity. Such terms are similarly applicable to all other telecom providers having arrangements with Indus and BIL. Post the merger of Indus with BIL, all existing contracts of Indus (including the existing MSAs with the Company) would become contracts with the merged entity.

With a view to incentivizing long term relationships as well as ensuring sustained revenues, the Company, BIL and certain other persons shall enter into a separate, non-restrictive and non-discriminatory agreement in relation to the agreement containing terms and conditions for the use of the passive infrastructure of BIL, which shall become effective on the effective date of the merger of Indus with BIL. From such effective date, the merged entity (BIL) will provide passive infrastructure to inter-alia the Company on a non-discriminatory basis and on the terms that are not less favourable than the terms that may be offered to any other operator that is party to the agreement or any third party (and the parties shall amend the MSAs accordingly). In addition, pursuant to this arrangement, the Company has agreed to provide right of first refusal for availing Passive Infrastructure services from BIL for a period of five years with certain carve outs/exemptions and commitments.

The particulars of the contract / arrangement between BIL and the Company (including those contracts / arrangements between Indus and the Company which, following the merger of Indus and BIL, would become contracts / arrangements of the merged entity) are as under:

Particulars	Information
<b>Name of the Related Party and Nature of Relationship</b>	Bharti Infratel Limited ("BIL") Currently not a related party; upon completion of the merger of Indus into BIL, BIL will become a related party of the Company as both the Company and BIL are joint ventures of the Vodafone Group
<b>Nature of Contract</b>	Master Service Agreements ("MSAs"). For Passive Infrastructure services and related Operations & Maintenance services.
<b>Duration of Contract</b>	The term of each tenancy service contract executed for each passive infrastructure site under the MSAs is generally 10-15 years, with either party having a right to terminate, subject to certain conditions.

Particulars	Information
<b>Salient features of Contract</b>	Passive Infrastructure services are provided on co-sharing basis for each passive infrastructure site, after obtaining necessary approvals, which enables the Company to deploy active telecommunications equipment on sites for providing telecom services.
<b>Date of Approval of the Board / Audit Committee</b>	Audit Committee : June 30, 2020 Board Meeting : June 30, 2020
<b>Value of Transaction for the year ended March 31, 2020</b>	Not a Related Party for Financial Year 2019-20
<b>Estimated Value of Transactions (annualized value post merger of Indus Towers with BIL)</b>	Approximately ₹ 15,000 Crore each Financial Year (post merger)

The transactions as described above may exceed 10% of the Company's annual consolidated turnover of Financial Year 2019-20 and may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require prior approval of the members by way of ordinary resolution.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board accordingly recommends the ordinary resolution as set out in Item No. 7 of this Notice for your approval.

#### **Item No. 8 and 9**

The members of the Company at the Annual General Meeting held on September 26, 2014, had authorised the Board of Directors pursuant to Section 180(1)(c) of the Companies Act, 2013, to borrow monies, from time to time, on behalf of the Company, sums not exceeding ₹ 25,000 crore (Rupees Twenty Five Thousand Crore only), over and above the aggregate of paid-up share capital and free reserves of the Company. Further, the members of the Company also at the Annual General Meeting held on September 26, 2014 had authorised the Board of Directors pursuant to Section 180(1)(a) of the Companies Act, 2013, to create charge on moveable and/or immoveable properties of the Company as security in favor of lending agencies for securing the borrowings availed from time to time.

In terms of the provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 ("the Act"), the powers to borrow in excess of the limits of paid-up share capital, free reserves and securities premium account and create security on such borrowings can be exercised by the Board only with the consent of the members obtained by way of a special resolution.

The provisions of Section 180(1)(c) has been amended pursuant to the Companies Amendment Act, 2017, on February 9, 2018, wherein the securities premium has been added to the limit of paid-up share capital and free reserves, above which shareholders' approval is required. As the resolution passed by the Company in September 2014, did not specify the securities premium, necessary amendment is required to include securities premium in the borrowing powers. Further, post amalgamation of erstwhile Vodafone India Limited and Vodafone Mobile Services Limited with the Company in August 2018, it is felt necessary that a fresh resolution be passed, encompassing the total overall borrowing limits of the Company, post the amalgamation. In addition the Company is exploring various avenues for raising additional funds for ensuring adequate cash flows for stable ongoing operations.

It is therefore proposed to increase the borrowing limits to enable the Board to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 1,00,000 crore or the aggregate of the paid-up capital, free reserves and securities premium account of the Company, whichever is higher, and to create charge/mortgage/hypothecate on the Company's properties upto the said limit.

Approval of the members is therefore being sought to borrow money upto ₹ 1,00,000 crore (Rupees One Lakh Crore only) or the aggregate of the paid-up capital, free reserves and securities premium account of the Company, whichever is higher, and to create charge/mortgage/hypothecation on the Company's properties upto the said limit.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors accordingly recommends the special resolution(s) as set out at Item Nos. 8 and 9 of the Notice for your approval.

#### **Item No. 10**

The members at the 22<sup>nd</sup> Annual General Meeting held on June 30, 2017 had approved alteration to the Articles of Association by insertion of new Article 74A after Article 74, in the Articles of Association of the Company for complying with the terms of Payments Bank License granted by the Reserve Bank of India to Aditya Birla Idea Payments Bank Limited ("ABIPBL") (a company jointly promoted by your Company and Aditya Birla Nuvo Limited).

Due to unanticipated developments in the business landscape leading to a seemingly unviable business model, the Board of Directors and shareholders of ABIPBL, subject to receipt of requisite regulatory consents and approvals, approved the voluntary winding up of ABIPBL. The High Court of Judicature at Bombay, pursuant to its order dated September 18, 2019, inter alia, ordered the voluntary winding up of ABIPBL.

The Company has now been informed that Reserve Bank of India has cancelled the Payments Bank License of ABIPBL w.e.f. July 28, 2020. Since the Payments Bank License has been cancelled, the Company is no longer bound by its terms and conditions and accordingly it is proposed to obtain consent of the members for deleting article 74A from the Articles of Association of the Company.

A copy of the Articles of Association of the Company together with the proposed alteration is available for inspection by the members of the Company without any fee from the date of circulation of this Notice up to the date of Annual General Meeting. Members seeking to inspect such documents can send an e-mail at [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com).

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, except Mr. Himanshu Kapania (Non-Executive Director) who is the Non-Executive Chairman on the Board of ABIPBL.

The Board accordingly recommends the special resolution as set out in Item No. 10 of this Notice for your approval.

#### **Item No. 11**

Pursuant to Sections 23, 42, 62, 71 of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, including any amendment(s), statutory modification(s) and/ or re-enactment thereof for the time being in force, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "**ICDR Regulations**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**"), the approval of members is required to be obtained by a special resolution for making any further issue of Equity Shares or Securities (defined hereinafter) to any person(s) other than the existing members of the Company.

As the Members are aware, the Company, is engaged in the business of telecom services. The Company requires additional funding including for servicing and/or repayment of existing debts, capital expenditure, working capital requirements of the Company, payment of dues arising out of Adjusted Gross Revenue judgment by the Hon'ble Supreme Court of India and / or general corporate purposes. It is therefore necessary that the Company should have necessary approvals for accessing various opportunities for capital / fund raising going forward. Accordingly, the Board of Directors, at its meeting held on September 4, 2020, has approved, raising of funds as under:

- (a) issue of equity shares or securities convertible into equity shares, Global Depository Receipts, American Depository Receipts, Foreign Currency Convertible Bonds, Convertible Debentures, Warrants, composite issue of Non-Convertible Debentures and warrants entitling the warrant holder(s) to apply for equity shares or a combination thereof up to an aggregate amount of ₹ 15,000 crore by way a public issue, preferential allotment, private placement, qualified institutions placement or through any other permissible mode in one or more tranches; and
- (b) issuance of unsecured and / or secured, Non-Convertible Debentures up to an aggregate amount of ₹ 15,000 crore, by way of public offering or private placement basis or otherwise, in one or more tranches.

However, the total raising of funds under (a) and (b) above shall not exceed ₹ 25,000 crore.

For the above purpose, the Company has been exploring various avenues for raising funds by way of issue of Equity Shares or by way of issue of any instrument or security including fully/partly convertible debentures, warrants, securities convertible into Equity Shares, Global Depository Receipts (the "GDRs"), American Depository Receipts (the "ADRs"), Foreign Currency Convertible Bonds (the "FCCBs") or by way of a composite issue of Non-Convertible Debentures and warrants entitling the warrant holder(s) to apply for equity shares and/or any combination thereof (the "Securities") for an aggregate amount of up to ₹ 15,000 Crore (Rupees Fifteen Thousand Crore only) including through qualified institutions placement (the "QIP") to qualified institutional buyers (the "QIBs") as defined in ICDR Regulations or private placement or preferential issue or public issue or through any other permissible mode and/or combination thereof as may be considered appropriate under the applicable laws. The issue of Securities may be consummated in one or more tranches at such time or times at such price as may be determined by the Board in its absolute discretion, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers, underwriters and such other authority or authorities as may be necessary and subject, as applicable, to the ICDR Regulations, and other applicable guidelines, notifications, rules and regulations, each as amended.

The proposed Special Resolution seeks to confer upon the Board (including any Committee thereof) the absolute discretion to determine the terms of the aforementioned issuance of Securities, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements. The detailed terms and conditions of such issuance will be determined by the Board or any Committee duly authorised by the Board, considering prevailing market conditions, practices and in accordance with the applicable laws. Accordingly, the Board (including a Committee thereof) may, in its discretion, adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

The relevant date for the purpose of pricing the Securities shall be the meeting in which the Board or any Committee duly authorised by the Board decides to open the issue of such Securities, subsequent to receipt of Members' approval in terms of the applicable laws. In the event that convertible securities (as defined under the ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for the purpose of pricing



of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board or any Committee duly authorised by the Board.

In the event of issuance of Securities by way of a QIP, as per the provisions of Chapter VI of the ICDR Regulations, an issue of Securities shall be made at a price not less than the floor price calculated in accordance with Chapter VI of the ICDR Regulations. The Board or any Committee duly authorised by the Board may offer a discount of not more than five percent on such price determined in accordance with the pricing formula provided under the said Chapter, in accordance with the applicable laws. Further, in the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the Special Resolution by the Members.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board accordingly recommends the special resolution as set out in Item No. 11 of this Notice for your approval.

By Order of the Board  
For **Vodafone Idea Limited**  
(Formerly *Idea Cellular Limited*)



**Pankaj Kapdeo**  
**Company Secretary**  
Membership No.: ACS-9303

Place : Mumbai  
Date : September 4, 2020

**Registered Office:**

Suman Tower,  
Plot No. 18, Sector - 11,  
Gandhinagar - 382 011, Gujarat  
CIN: L32100GJ1996PLC030976  
E-mail: shs@vodafoneidea.com  
Website: www.vodafoneidea.com  
Tel.: + 91-79-66714000, Fax: +91-79-23232251

**Details of Directors seeking appointment/ reappointment at the Twenty Fifth Annual General Meeting of the Company as required as per Regulation 36(3) of Listing Regulations and Secretarial Standards on General Meetings:**

**A. Brief profile including qualification, experience and expertise:**

**Mr. Ravinder Takkar (DIN - 01719511)**

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

**Mr. Debnarayan Bhattacharya (DIN: 00033553)**

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

**Mr. Vivek Badrinath (DIN:07319718)**

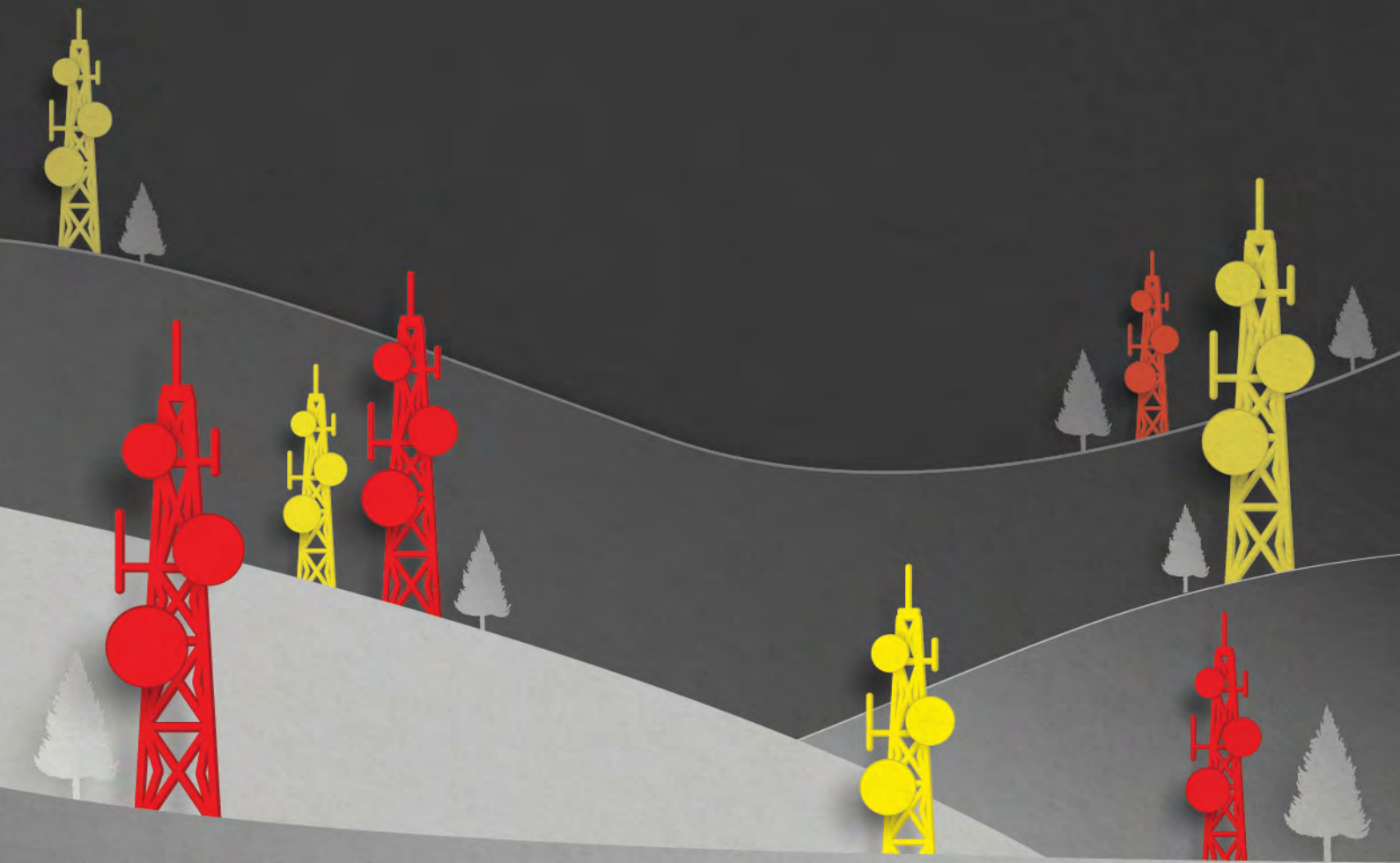
Mr. Vivek Badrinath is a Graduate of Ecole Polytechnique and Ecole Nationale Supérieure des Telecommunications (ENST). He joined Vodafone and the Executive Committee as CEO of AMAP in October 2016. He oversees Vodafone's operations in the Vodacom Group, India, Australia, Egypt, Ghana, Kenya, New Zealand and Turkey. He was previously associated with Accor Hotels as Deputy Chief Executive responsible for marketing, digital solutions, distribution and information systems. He has served as Deputy Chief Executive having a long career in telecommunications, Technology, and Enterprise Services within Orange. Between 2000 and 2004 he ran the Indian operations of Thomson. He was a Board member of Nokia between 2014 and 2016.

**B. Other details**

Particulars	Mr. Ravinder Takkar	Mr. Debnarayan Bhattacharya	Mr. Vivek Badrinath
Directors Identification Number	01719511	00033553	07319718
Age	52 years	72 years	51 years
Qualifications	Bachelors degree in Science from Loyola Marymount University, USA	B.Tech (Hons) in Chemical Engineering from IIT, Kharagpur and B.Sc (Hons) in Chemistry	Graduate of École Polytechnique and École Nationale Supérieure des Télécommunications (ENST)
Experience	28 years	46 years	33 years
Nature of his expertise in specific functional areas	Strategy and Business Development	General Management	Market Development
Terms and condition of appointment	Managing Director & CEO for a period of three years w.e.f. August 19, 2019	Non-Executive Director liable to retire by rotation	Non-Executive Director, liable to retire by rotation
Remuneration sought to be received and remuneration last drawn	Nil	Nil	Nil
Date of First appointment in the Company	August 31, 2018	August 31, 2018	August 31, 2018
Number of shares held in the Company as on March 31, 2020	Nil	20,401	Nil
Relationship with other Directors/ Manager/ KMPs	None	None	None
Number of meetings of the board attended during the year	13/14	11/14	9/14
Directorships of other Listed Companies	Nil	1. Hindalco Industries Limited 2. NOCIL Limited	Nil
Chairmanships/ Memberships of Committees in other Listed Companies			
Audit Committee	Nil	NOCIL Limited – Member	Nil
Stakeholder Relationship Committee	Nil	Nil	Nil

# Vodafone Idea Limited

Annual Report 2019-20





# The Chairman's Letter to Shareholders

Dear Shareholder,

Covid-19 and the associated lockdowns across countries have triggered a once-in-a-century crisis for the society and the economy in 2020. January now seems like a month of a bygone era — such has been the enormity of change. This is a defining period in human and business history: one that will test the resilience of individuals, societies, corporations, and nations.

Given the fog of uncertainty all around, it is hard to be prescient in these times. But there is little doubt on one reality: companies with quality leadership, sound business fundamentals, and a track record of winning in turbulent times, will emerge as champions in the new global order.

## Global Economy

It has been several months since the pandemic engulfed the world and yet there is a lot of uncertainty with respect to the extent of the economic contraction due to this crisis, and the subsequent pace of recovery.

This year will see an economic contraction, but this 2020 recession is turning out very different from the past recessions. It has been too sudden – almost off the cliff; its spread has been all-encompassing – affecting almost every economy and sector, and the plunge in economic activity levels and employment has been unprecedented.

On the positive side, this recession is likely to be one of the shortest, assuming no second



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**As the world emerges from the current crisis, the next few years are likely to be marked by lack of buoyancy in growth, subdued commodity prices and inflation, a cautious trend in project investments, heightened risks of de-globalisation and political uncertainty; and increased dependence of financial systems on ultra-loose monetary policy conditions.**

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wave of the pandemic recurs. As present lockdowns around the world get lifted, and businesses reopen, economic activity is likely to bounce back fairly quickly. Around \$11-trillion stimulus from different governments globally will help to support this recovery, along with the monetary actions by Central banks. These policies will also help to restrict the second-order effects like defaults and bankruptcies.

Some scars of the crisis will remain in the form of subdued consumer and business confidence. Some sectors, like airlines and hospitality, will take time to recover fully. And some supply chain disruption effects will linger. The International Monetary Fund (IMF) and other agencies are predicting that it could take about 5-6 quarters for global GDP to inch back to pre-crisis levels, and the global economic trajectory thereafter will be below the Pre-COVID trajectory for the next few years.

As the world emerges from the current crisis, the next few years are likely to be marked by lack of buoyancy in growth, subdued commodity prices and inflation, a cautious trend in project investments, heightened risks of de-globalisation and political uncertainty; and increased dependence of financial systems on ultra-loose monetary policy conditions. We will also have to watch out for potential post-Covid changes in consumer behaviour (such as more virtual engagements) and of operating models of organisations (such as work-from-home norms, diversification of supply chain risks, more use of e-commerce).

### **Indian Economy**

Covid-19 struck India at a time when the underlying economic conditions were subdued on account of heightened global uncertainty and stress in the domestic financial system.

Against this backdrop, a stringent national lockdown to slow the spread of the pandemic started in the last week of FY20 and remained active to varying degrees in different geographies through most of the Q1 of FY21. It is estimated



that about 80% of India's GDP originates from districts which were classified under the red and orange zones during the lockdown, where economic activity remained severely constrained. Correspondingly, India's GDP is likely to contract in FY21.

Responding to this challenge, both the Reserve Bank of India (RBI) and Government of India announced several policy measures to provide relief to the affected sections of the economy, to reduce the possibility of business failures and to support the process of recovery. In the interim, however, the Indian economy – like the global economy – will need to navigate through some difficult quarters.

### Your Company's Performance

The merger of Vodafone India into your Company effective from August 31, 2018 led to the creation of Vodafone Idea Limited, a partnership between two strong promoters, Aditya Birla Group and Vodafone Group. Post-merger, your Company is one of the leading telecommunications operators in India offering voice, data, enterprise services and other Value-Added Services ("VAS"), including short messaging services, digital services, IoT etc. As of March 31, 2020, the subscriber base of your Company stands at 293.7 Mn (on VLR) with subscriber market share at 29.7%.

Through the course of FY20, the operating environment continued to remain challenging due to unsustainable pricing and hyper competition. The verdict on the long pending industry issue of Adjusted Gross Revenue (AGR) also added to the financial woes of telecom operators. Efforts from the Government of India to soften the financial burden by recommending payment through instalments has also been upheld by the Honourable Supreme Court.

The Department of Telecom also intervened to restore the financial health of all operators by way of a 2-year moratorium on spectrum payments. The telecom industry also witnessed the first round of tariff hike by all operators

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**Through the course of FY20, the operating environment continued to remain challenging due to unsustainable pricing and hyper competition. The verdict on the long pending industry issue of Adjusted Gross Revenue (AGR) also added to the financial woes of telecom operators.**

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**Your Company's primary focus in FY20 has been rapid acceleration of integration, which is now in final stages of completion. Your Company has fully realized the guided annualised merger related opex synergies of ₹ 84 Bn in the last quarter of the financial year ending March 31, 2020.**

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in December 2019. However, tariffs are still very low and therefore pricing revival is critical for the long-term growth of the sector.

While the operating challenges remain, the increasing content consumption, especially through video, and social media usage is driving strong data demand as reflected in the higher data usage per customer. This will provide a significant opportunity to all the telecom operators as and when the pricing revives. Your Company with largest spectrum portfolio, large network investments in the form of network sites and optical fiber, wide distribution reach and strong customer affinity is very well positioned to be benefited in the evolving market place.

Your Company's primary focus in FY20 has been rapid acceleration of integration, which is now in final stages of completion. Your Company has fully realized the guided annualised merger related opex synergies of ₹ 84 Bn in the last quarter of the financial year ending March 31, 2020. Your Company has expanded its 4G population coverage to nearly 1 billion and more than doubled its capacity as of March 2020, compared to that at the time of merger in September 2018. All the network initiatives have led to improved network performance leading to superior customer experience. Your Company continues to focus on driving 4G penetration to increase ARPU. Further, your Company remains focused on strengthening its position on enterprise services, especially the new and fast-growing segment of IoT and cloud services. All these initiatives will improve revenue and profitability and subsequently strengthen your Company's overall competitive position in the market.

### **Outlook**

The merger of Vodafone India and Idea Cellular, two large organizations with complementary strengths has opened multiple opportunities and allowed your Company to get

synergies across the board. Since merger, your Company has achieved several milestones ahead of the expected timelines.

Your Company continues to focus on execution of its stated strategy. Your Company has made significant 4G investments and continues to expand its coverage and capacity further. Your company is also embarking on a new brand identity to mark the culmination of the integration exercise bringing to customers the best of both brands. All the ongoing strategic initiatives will ensure that your company will continue to provide the best of customer experience to retail and enterprise customers and help in creating an agile and future-fit organization.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Kumar Birla', written in a cursive style.

**Kumar Mangalam Birla**

**Idea** 4G

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# Board of Directors



**Mr. Arun Adhikari**  
Independent Director



**Mr. Arun Thiagarajan**  
Independent Director



**Mr. Ashwani Windlass**  
Independent Director



**Mr. Kumar Mangalam Birla**  
Non-Executive Chairman



**Mr. D. Bhattacharya**  
Non-Executive Director



**Mr. Himanshu Kapania**  
Non-Executive Director



**Mr. Krishnan Ramachandran**  
Independent Director



**Ms. Neena Gupta**  
Independent Director



**Mr. Ravinder Takkar**  
Managing Director &  
Chief Executive Officer  
(w.e.f. August 19, 2019)



**Mr. Suresh Vaswani**  
Independent Director



**Mr. Thomas Reisten**  
Non-Executive Director



**Mr. Vivek Badrinath**  
Non-Executive Director



# Corporate Information

## **Managing Director & Chief Executive Officer**

Mr. Ravinder Takkar  
(w.e.f. August 19, 2019)

## **Chief Financial Officer**

Mr. Akshaya Moondra

## **Company Secretary**

Mr. Pankaj Kapdeo

## **Statutory Auditors**

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

## **Cost Auditors**

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

## **Secretarial Auditors**

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

## **Registrar and Share Transfer Agents**

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

## **Debenture Trustee**

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

## **Corporate Office**

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

## **Catalyst Trusteeship Limited**

83 - 87, 8th Floor, 'B' Wing,  
Mittal Tower,  
Nariman Point,  
Mumbai - 400021

## **Registered Office**

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

## **Corporate Identity Number (CIN)**

L32100GJ1996PLC030976

## **Website**

[www.vodafoneidea.com](http://www.vodafoneidea.com)

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 **vodafone**  
**SuperNet**



## Directors' Report

Dear Shareholders,



We have pleasure in presenting the Twenty Fifth Annual Report, together with the audited financial statements of the Company for the Financial Year ended March 31, 2020.

### Company Overview:

The merger of Vodafone India into your Company effective from August 31, 2018 has led to creation of Vodafone Idea Limited, a partnership between two strong promoters Aditya Birla Group and Vodafone Group. Post-merger, your Company is one of the leading telecommunications operator in India, offering voice, data, enterprise services and other value added services ("VAS"), including short messaging services, digital services, IoT etc. As of March 31, 2020, the subscriber base of your Company stands at 293.7 Mn (on VLR). The subscriber market share on VLR stands at 29.8%, as of February 2020. The Wireless Revenue Market Share (RMS) on Gross Revenue basis (GR) (excluding BSNL and Tata Wireline) for your Company stands at 29.7% for the nine months ended December 2019.

Your Company provides Voice and Data services on 2G, 3G and 4G technologies across all 22 service areas and has strong spectrum portfolio and network footprint to support the burgeoning demand for both, data and voice. Your Company has the largest spectrum holding amongst all Indian telecom operators comprising 1,846 MHz spectrum across 22 circles, of which 1,723.6 MHz is liberalised spectrum which can be used towards deployment of any technology.

Your Company's mobile telecommunication services cover more than 1.2 billion Indians. As of March 31, 2020, your Company has over 436,000 broadband (3G+4G) sites and all of the 4G sites are VoLTE enabled, creating a better customer experience. The broadband network is spread over 325,000 towns and villages and covers more than a billion Indians. Your Company has started deployment of Dynamic Spectrum Re-farming (DSR), Massive MIMO and Small cells to maximize spectrum efficiency. Additionally, Your Company has started deploying LTE on TDD band of 2300 MHz and 2500 MHz spectrum band to expand the capacity and on 900 MHz band to improve customer experience in dense areas. Your Company also derives revenue from carrying India inbound ILD traffic through arrangements with other mobile telecommunications companies and long distance carriers operating outside India. Your Company has a portfolio of ~361,000 km of optical fibre cable (OFC), including own built and Indefeasible Right of Use (IRU) OFC.

All of your Company's services and products are currently offered under  and  brands. Both the brands are complementary in nature and have generated strong customer affinity throughout the years. The strength of brands and advertising is reflected in several brand recognition awards that your Company has won. Vodafone & Idea brands were ranked #21 in the Most Trusted Brands of 2020 by the Economic Times of India. Vodafone won Brand of the year & Marketer of the Year awards as well as the Grand EFFIE at APAC EFFIEs. With the consolidation of networks in majority of the markets, we have launched 'TurboNet 4G' as a stronger and faster network brand that's built with the strength of two and powering Vodafone & Idea.

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

### Financial Results and summary:

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

The standalone and consolidated financial highlights of your Company for the Financial Year ended March 31, 2020 which are not comparable with the figures for the previous financial year due to: (i) merger of erstwhile Vodafone Mobile Services Limited and erstwhile Vodafone India Limited during previous financial year; and (ii) Adoption of Ind AS 116 on leases effective April 1, 2019, as mentioned subsequently in this report, are summarized as follows:

Particulars	(in ₹ Mn)			
	Standalone		Consolidated	
	2019-20	2018-19 <sup>1</sup>	2019-20	2018-19
Income from sale of goods and services	446,830	367,674	449,167	370,056
Other Operating Income	320	921	408	869
Other Income	10,861	10,747	10,393	7,311
Total Revenue	458,011	379,342	459,968	378,236



Particulars	(in ₹ Mn)			
	Standalone		Consolidated	
	2019-20	2018-19 <sup>1</sup>	2019-20	2018-19
Operating Expenses	300,976	329,016	300,450	329,698
EBITDA	157,035	50,326	159,518	48,538
Depreciation and Amortisation	238,888	144,098	243,564	145,356
EBIT	(81,853)	(93,772)	(84,046)	(96,818)
Interest and Finance charges	153,772	95,510	153,920	95,425
EBT	(235,625)	(189,282)	(237,966)	(192,243)
Exceptional Items (Net)	(387,242)	12,367	(383,557)	8,521
Share of JV/Associates	-	-	3,553	1,968
Profit / (Loss) Before Tax	(622,867)	(176,915)	(617,970)	(181,754)
Taxes	108,448	(36,362)	120,811	(35,715)
Profit / (Loss) after Tax	(731,315)	(140,553)	(738,781)	(146,039)
Other Comprehensive Income, net of tax	(18,242)	(3,198)	(90)	328
Total Comprehensive Income	(749,557)	(143,751)	(738,871)	(145,711)

<sup>1</sup> Figures have been restated pursuant to merger of Idea Telesystems Limited and Vodafone India Digital Limited (wholly owned subsidiaries) with the Company.

Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMSEL) (hereinafter collectively referred as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on August 31, 2018 (Effective Date). ICL was renamed as Vodafone Idea Limited w.e.f. August 31, 2018. The figures for Financial Year ended March 31, 2020 are not comparable with figures for previous year i.e. Financial Year 2018-19 as the figures for the year ended March 31, 2019 include financial results of erstwhile Vodafone for the period from August 31, 2018 to March 31, 2019 (refer note 3A to the Standalone Financial Statements).

The Company has adopted Ind AS 116, 'Leases', effective annual reporting period beginning April 01, 2019. Accordingly, in the Statement of Profit and Loss for the year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from rentals in corresponding periods in previous financial year to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability in the current financial year.

Standalone revenue of your Company stood at ₹ 447,150 Mn, an increase of 21.3% over previous year. The EBITDA stood at ₹ 157,035 Mn, registering an increase of 212% over the previous year. The Net Loss including amount specified in other comprehensive income of the Company for the Financial Year March 31, 2020 stood at ₹ 749,557 Mn, vis-à-vis ₹ 143,751 Mn, for the previous year.

On a consolidated basis, the revenue of your Company stood at ₹ 449,575 Mn, an increase of 21.2% over the previous year. The EBITDA at ₹ 159,518 Mn reflects increase of 228.6% as compared to the previous year. The Consolidated Net Loss including amount specified in other comprehensive income of the Company stood at ₹ 738,871 Mn, for Financial Year 2019-20 vis-à-vis ₹ 145,711 Mn for the previous year.

### Operations Review

The Indian wireless industry had an eventful and challenging year with continued hyper competition and a significant regulatory setback in the form of adverse verdict on the long pending industry issue of Adjusted Gross Revenue (AGR) which further added to the financial woes of the operators. The near term challenges were further aggravated by the COVID-19 pandemic and the subsequent nation-wide lockdown in the last quarter of the Financial Year 2019-20. The telecom industry has gone above and beyond to help the consumers despite being under severe financial stress. While the operators are also bracing for a challenging Financial Year 2020-21 as prevailing COVID-19 are dampening overall economic outlook globally, the telecom industry remains committed in providing uninterrupted services to all Indians in this difficult time.

After several quarters of pricing pressure due to selling heavily discounted unlimited bundled plans, during Financial Year 2019-20, telecom industry witnessed first round of tariff hike by all operators. The pricing action coupled with increasing migration to Unlimited/ 4G has led to improvement in ARPU. While the price hike is a step in the right direction, tariffs are still unsustainably low despite offering much higher value compared to past, and thus Financial Year 2019-20 revenue remains lower compared to five years ago. This coupled with massive investment requirement due to exploding data demand is leading to operators continuing to make losses.

While the operating environment continues to remain challenging, the consolidation of telecom industry presents several opportunities for surviving operators when prices revive to levels in line with costs. Increasing content consumption, especially through video, and social media usage is driving strong demand for high speed internet, and all the telecom operators with their massive network investments, are well placed to benefit from this trend. During Financial Year 2019-20, industry broadband penetration continued to improve supported by affordable pricing, cheaper smartphones and rising income levels. Wireless broadband subscriber are now 662 Mn (broadband penetration ~57%) as of February, 2020 compared to 545 Mn (broadband penetration ~47%) as of March, 2019.

Following the merger of Vodafone into your Company, your Company had embarked on the challenging phase of integration,



which is now reaching completion. Below is the update on various strategic initiatives which are underway to improve your Company's revenue and profitability as well as to strengthen its overall position in the market:

1. **Rapid Integration** – Your Company has made significant progress in integration since merger and is now in final stages of completion. Your Company has already consolidated spectrum and radio access network in 18 out of the 22 service areas and 92% of total districts have been consolidated. Your Company has fully realized the guided opex synergy of ₹ 84 Bn as of March 31, 2020. While the integration progressed well in Financial Year 2019-20, due to the nationwide COVID-19 induced lockdown, remaining consolidation is expected to take longer than initially expected.
2. **Focus on network investments** – Your Company continues to focus on expanding 4G coverage and data capacity, especially in its major markets. With the focused approach in its profitable areas, your Company has optimized its capital expenditure, while it continues to offer a superior customer experience. The integration along with other network initiatives such as spectrum consolidation and refarming, deployment of TDD sites, small cells and massive MIMO have delivered a significant capacity uplift. Our overall capacity has more than doubled since merger. With aggressive albeit focused rollout, your Company's 4G coverage is nearly a billion Indians.
3. **Market initiatives to drive ARPU** – After several years of pricing pressure due to intense competition, your Company as well as all the operators increased the tariffs across all price plans. While the prices are still unsustainably low, this initiative provides much needed ARPU improvement. Your Company also continues to focus on driving UL/4G penetration to increase ARPU. Your Company has also started to consolidate its postpaid services under single brand of "Vodafone RED". Your Company had also launched "REDX" postpaid plan for postpaid customers which has excellent industry first features to attract high ARPU customers.
4. **Focusing on Fast-Growing Revenue Streams and partnerships** – Your Company is well positioned in enterprise offerings across the industry verticals. The strong relationship with customers over several years and global know how of Vodafone Group provide strong platform for future growth in this segment. Vodafone Idea Business Services (VIBS) continues to maintain leadership in IoT offerings which is an emerging segment and has potential to grow multi fold in the near future

amid government's push towards 'Digital India' and 'Smart Cities'.

On content, your Company is following a partnership approach tying with several regional and global content partners. Further, the tie-ups with e-commerce platforms, handset manufacturers, financial institutions, NBFCs among many others will drive value not only for the customers, but also for the Company and its partners.

5. **Strengthening our Balance Sheet** – Your Company successfully concluded the Rights Issue of ₹ 250 Bn in Financial Year 2019-20, one of the largest in India, which was oversubscribed reflecting strong support from the investors. Further, your Company has the option to monetize its 11.15% stake in Indus, on the completion of Indus-Infratel merger.

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

#### Dividend

As your Company has incurred net loss during the Financial Year 2019-20, your Directors have not recommended any dividend for the year.

#### Transfer to Reserves

During the financial year under review, the Board has not proposed to transfer any amount to Reserves.

#### Changes in Share Capital / Rights Issue

During the year under review, your Company allotted 19,999,830,911 Equity Shares of face value of ₹ 10/- each to the eligible existing equity shareholders under Rights Issue at an issue price of ₹ 12.50 (including a premium of ₹ 2.50) per equity share, thereby raising funds aggregating to ₹ 249,998 Mn.

Consequent to the above, the issued, subscribed and paid-up equity share capital of your Company as on March 31, 2020 stood at ₹ 287,354 Mn comprising of 28,735,389,240 Equity Shares of ₹ 10/- each.

#### Finance

On a standalone basis, the Company had cash and cash equivalents of ₹ 3,223 Mn, Fixed Deposits with banks having maturity of 3 to 12 months of ₹ 16,500 Mn and short-term investments of ₹ 4,548 Mn as on March 31, 2020. The Company's net debt as on March 31, 2020 decreased by ₹ 58,644 Mn to ₹ 1,126,904 Mn as compared to ₹ 1,185,548 Mn last year.

All scheduled loan repayments and deferred spectrum fee instalments to the DoT were made on respective due dates. However, term loans amounting to ₹ 1,875 Mn that were due during the year were repaid prior to their due dates as agreed with the lenders. In addition, ₹ 50 Mn NCDs were prepaid during the year.

Further, your Company has opted for moratorium on interest amounting to ₹ 866 Mn falling due on March 2020 pursuant to the notification dated March 27, 2020 issued by the Reserve Bank of India permitting inter-alia, banks to grant a moratorium of three months to each borrower with respect to instalments (including interest) falling due between March 1, 2020 and May 31, 2020.

### Credit Rating

During the Financial Year 2019-20, CARE downgraded the Company's rating with respect to long term borrowings and certain Non-Convertible Debentures to 'CARE BB- / Credit Watch with negative implications' (previous year end rating 'CARE AA- / Negative'). The rating on short term banking facilities and Commercial Paper programme have been withdrawn by CARE (previous year end rating 'CARE A1+'). Further, Brickwork Ratings downgraded the rating with respect to certain Non-Convertible Debentures amounting to ₹ 35,000 Mn to 'BWR BB- / Credit Watch with negative implications' (previous year end 'BWR AA- / Negative'). The rating of Commercial Paper programme has been withdrawn by Brickwork Ratings (previous year end rating of 'BWR A1+'). Additionally, Non-Convertible Debentures issued by companies that merged into the Company which were rated by CRISIL and India Ratings have been downgraded to 'CRISIL B+ / Rating watch with negative implications' (previous year end rating 'CRISIL A+') and 'Ind B / Rating watch with negative implications' (previous year end rating 'IND A+') respectively.

### Capital Expenditure

During the Financial Year 2019-20, the capital expenditure (including capital advances and excluding RoU assets and Spectrum) incurred was ₹ 93,380 Mn and ₹ 96,279 Mn at standalone and consolidated levels respectively. Further to the above, the Company has incurred ₹ 4,881 Mn and ₹ 252 Mn towards Bandwidth and Spectrum respectively. The above amounts exclude amounts capitalized and charged off towards One Time Spectrum Charges amounting to ₹ 38,871 Mn.

### Fixed Deposits

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

### Significant Developments:

- ***Demerger of Fibre Undertaking of the Company to Vodafone Idea Telecom Infrastructure Limited (Formerly Vodafone Towers Limited)***

The Board of Directors of the Company had approved a Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 for transfer of Fibre Infrastructure Undertaking from the Company to Vodafone Idea Telecom Infrastructure Limited (Formerly Vodafone Towers Limited) ('VITIL'), a wholly-owned subsidiary. Pursuant to receipt of approval by the Stock Exchanges, the said Scheme was approved by the equity shareholders and secured and unsecured creditors of the Company at their respective meetings held on June 6, 2019. The said Scheme was approved by the National Company Law Tribunal, Ahmedabad Bench vide its order dated September 18, 2019. On filing of the said order with the Registrar of Companies on October 15, 2019, the scheme has become effective with an appointed date of October 1, 2019 and consequently, the assets and liabilities related to the Fibre Infrastructure business have been transferred from the Company to VITIL.

- ***Scheme of Amalgamation of Idea Telesystems Limited and Vodafone India Digital Limited with the Company***

As part of streamlining the corporate structure of the Company, the Board of Directors on May 13, 2019 had approved amalgamation of Vodafone India Digital Limited (VIDL) and Idea Telesystems Limited (ITL) (both wholly owned subsidiaries) with the Company. VIDL had no operating business and ITL was in the business of trading in devices. The National Company Law Tribunal, Ahmedabad Bench vide its order dated February 18, 2020 approved the said scheme of amalgamation. On filing of the said order with the Registrar of Companies on March 1, 2020, the scheme has become effective with an appointed date of April 1, 2019 and consequently VIDL and ITL have been amalgamated with the Company.

- ***AGR Matter***

The Hon'ble Supreme Court delivered its judgment on October 24, 2019 in relation to a long outstanding industry wide case upholding the view considered by Department of Telecommunications ("DoT") in respect of the definition of Adjusted Gross Revenue ("AGR") ("AGR Judgment"). The Hon'ble Supreme Court in a Supplementary Order of the same date had allowed a period of three months to the affected parties to pay amounts due to DoT. This AGR Judgment has significant financial implications on the Company. The Company alongwith other telecom operators filed a Review Petition against the aforesaid

AGR Judgment, which was rejected by the Supreme Court in January 2020. Thereafter, the Company and telecom operators filed an application for modification of the Supplementary Order before the Hon'ble Supreme Court of India, wherein the Supreme Court, inter-alia, directed immediate payment of the AGR dues and directed issuance of show cause notice to the Managing Directors/ Directors of TSPs as to why contempt proceedings should not be initiated against them for violating the order passed for not depositing the amounts due, on the next date of hearing. Subsequent to the AGR Judgment, DoT had issued letters dated November 13, 2019 and February 3, 2020 to the Company to carry out self-assessment of the liability and afforded certain guidelines/clarifications to compute the amounts payable based on the AGR Judgment. Accordingly, during February 2020 and March 2020, the Company based on its interpretation of the guidelines/clarifications, and the principles laid down in the AGR Judgment and self-assessment, made payments aggregating ₹ 68,544 Mn to DoT, towards the principal amount of its AGR liability.

On March 16, 2020, the DoT had filed an application before the Hon'ble Supreme Court with respect to giving reasonable time to the affected parties (a period of 20 years with 8% interest on unpaid amounts to duly protect the net present value) and to cease the currently applicable interest after a particular date. The Hon'ble Supreme Court, in a hearing on March 18, 2020, ordered that no exercise of self-assessment/ re-assessment is to be done and the dues which were placed before the Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court stated that the DoT application would be considered on the next date of hearing. Subsequently, on June 11, 2020 and June 18, 2020, Hon'ble Supreme Court has heard the matter for staggered payments and requested telecom operators for payment of reasonable amounts and file financial information for last 10 years; and further adjourned the hearing until third week of July 2020. The Company has already made payments of ₹ 68,544 Mn in three instalments.

• **One-time Spectrum Charge Matter**

In respect of levy of one time spectrum charge ('OTSC'), the DoT has raised demand on the Company and erstwhile Vodafone India Limited (VInl) and Vodafone Mobile Services Limited (VMSL) in January 2013 for spectrum beyond 6.2 MHz in respective service areas for retrospective period from July 1, 2008 to December 31, 2012 and for spectrum beyond 4.4 MHz in respective service areas effective January 1, 2013 till expiry of the period as per respective

licenses. In the opinion of the Company, the above demand amounts to alteration of financial terms of the licenses issued in the past and therefore the Company filed a petition in the Hon'ble High Court of Bombay, which vide its order dated January 28, 2013, had directed the DoT to respond and not to take any coercive action until the next date of hearing. Similarly erstwhile VInl and VMSL had filed a petition before the Hon'ble TDSAT. Hon'ble TDSAT vide its order dated July 4, 2019 held that for spectrum below 6.2 MHz, OTSC is not chargeable and accordingly demand is set aside. For spectrum beyond 6.2 MHz, if spectrum is allotted after July 01, 2008, OTSC shall be levied from the date of allotment of such spectrum and if spectrum is allotted before July 01, 2008, OTSC shall be levied from January 01, 2013 till the date of expiry of licenses and ordered DoT to issue revise demands, if any, as per terms of direction given. The Company filed an appeal before the Hon'ble Supreme Court against the Order of the TDSAT. On March 16, 2020, the Hon'ble Supreme Court dismissed the appeal of the Company and did not interfere with the TDSAT judgement. The DoT's appeal against the said TDSAT Order for the levy on Spectrum below 6.2 MHz is pending. Consequent to the dismissal of the Company's petition, the Company had provided ₹ 38,871 Mn.

**Awards and Recognitions**

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

- Vodafone & Idea were ranked #21 in the Most Trusted Brands of 2020 by the Economic Times of India, up from #29 for Vodafone & #65 for Idea
- Vodafone won 4 Golds, 4 Silvers and 2 Bronze for Vodafone unofficial sponsors of fans at IPL, Vodafone Sakhi at EMVIEs 2019, the awards for effective use of media for communication impacting business.
- Vodafone won Brand of the year & Marketer of the Year awards as well as the Grand EFFIE at APAC EFFIEs for Vodafone Sakhi & FANTastic breaks.
- Vodafone Idea Limited won Bronze for the Best Exhibition Experience at the 3rd Edition of BW Applause & Everything Experiential Marketing Awards's for their experiential display at the Indian Mobile Congress
- Idea 4G won in the 'Telecom & Technology' category at the 5<sup>th</sup> edition of the IndIAA Awards for Creative Excellence for their campaign " India ka LIVE network "
- Idea 4G won Gold & 2 Bronze awards at the prestigious Outdoor Advertising Convention 2019 for OOH innovations for their campaign " India ka LIVE network "

- Idea 4G won the Silver Maddies 2019 in the Rich Media/ Interactive Content category for their digital first Mallika Dua LIVE video both for their campaign "India ka LIVE network"
- Idea 4G won Bronze at the 10th edition of exchange4media Group NEONS OOH Conference & Awards 2020 for Outdoor Advertising & Digital Signage for their campaign "India ka LIVE network"
- Vodafone Idea won five awards at the Annual Voice & Data Telecom Leadership Forum 2020:
  - Process innovation – AI based Intelligent Transport and Cost Management System (ICMS)
  - CSR – Project "Rakshak" – Defensive Drivers Training Program for over 11,000 Drivers
  - Marketing - "Har Recharge Pe Extra" promotional offer for customers
  - VAS & Apps - Home Credit to offer 4G
  - Internet & Broadband Services - 'Phoneline with Google Assistant'
- SNOC received 'Award of Excellence' under 'Innovation in RPA (Robotics Process Automation)' category for a unique solution of 'Automating Telecom Network Processes using RPA' at the 10th Aegis Graham Bell Awards.
- Vodafone Idea Business Services (VIBS) won 3 Frost & Sullivan India ICT Awards and 5 CIO Choice awards:
  - F&S Enterprise Telecom Service Provider of the Year - SMB Segment
  - F&S Managed Enterprise Wi-Fi Provider of the Year
  - F&S Enterprise Mobile Service Provider of the Year
  - 5 CIO Choice awards as the most preferred service provider for IoT, Cloud telephony, Telecom carrier, Managed WiFi, and SIP Trunking products and services
- VIBS was recognized by D&B for HR Best Practice for training programme for new sales leadership roles.
- VIBS was awarded for Digital marketing excellence for the Account Based Marketing (ABM) campaign on LinkedIn at ET Brand Equity DigiPlus and UBS Forums for its Customer Engagement Experiential marketing leadership at UBS Forums and VAR India.

### Marketing and other initiatives

During the year under review, your Company together with its subsidiaries made extensive progress on the marketing and customer care front by entering into various alliances,

introducing various innovative products and services. Some of these are:

- One of the strategic focus areas for your Company has been to expand the mobile internet penetration, particularly to the rural, feature phone users. The challenge to do this has been how to make internet relevant and accessible to this set of consumers. Your Company, in partnership with Google, launched a first of its kind service called 'Phoneline with Google Assistant', which enables a feature phone user to access the power of internet through voice calls. Customers get useful information on News, weather, tips to learn English, cooking recipes among others, without the need of internet or Smartphone as they can access all this by dialing a toll-free number. 'Phoneline with Google Assistant' positively impacts the lives of feature phone customers in emotional and practical ways. With access to internet through Phoneline, a feature phone user with low affordability and tech literacy also feels empowered and confident with the availability of information.
- Building a competitive advantage by leveraging the network integration and its benefits, your Company launched TurboNet 4G- A network that's built with the strength of two and powers Vodafone & Idea. Leading to stronger network perception.
- With the same strategic focus of bringing internet to the feature phone users, your Company has also been working on a 'Smartphone For All' program targeted to upgrade Feature phone customers to Smartphones. Vodafone Idea Limited in an Industry First initiative partnered with Home Credit to offer 4G Smartphones bundled with telecom recharge on easy EMIs, to its customers. One of the biggest barriers in upgrading to Smartphones is Price. By offering 4G Smartphones at Zero cost EMI, your Company successfully provided affordability to its prepaid customers to upgrade their phones and connect to the world of internet. To support this initiative, your Company also used some insights of its prepaid customer base, to effectively target the right prepaid feature phone customers who are most likely to upgrade to 4G Smartphones. Basis this sharp targeting, the loan approval rates for the program are high, especially for otherwise 'new to credit' customers. Your Company has rolled out this program across all key smartphone outlets in 160 cities & towns where Home Credit is present.
- One of the key priorities that your Company had, to pursue the 4G extraction agenda, was to create the right perception of our data experience. Your Company received validation from global testing agency, Ookla, for its data



speeds, particularly in capacitized markets. The Ookla certification was effectively used to spread awareness on ground, amongst all the stakeholders - starting with our own frontline teams, distributors, trade partners and customers, about VIL's data speeds vs our competitors.

- Prepaid Unlimited plans have been the key driver to help gain the primary SIM slot. To accelerate the adoption of Unlimited Vouchers, your Company launched a series of initiatives to drive both, adoption & re-purchase of unlimited plans on top of a robust product portfolio catering to various segments of prepaid customers. These programs involved joint campaigns with digital wallets like PayTM, PhonePe, GooglePay & AmazonPay, and leveraging machine learning to create hyper personalised offers for every consumer.
- With an objective of driving engagement and with an insight that customers keep looking for extra or special offers, your Company launched a recharge stimulation program on both the brands – 'Every Recharge Wins' on Vodafone brand & 'Har Recharge Pe Extra' on Idea brand. The objective of the program was manifold – to create a strong "value" narrative in the market, to get back non users into the Vodafone and Idea platform and to build a strong rallying point for the channel partners and the sales teams. The program construct was carefully designed to tap into the Indian psyche of "getting extra". The program involved assured extra benefit on every recharge irrespective of ticket size or customer profile.
- Your Company believes in offering compelling content proposition for its consumers. In that endeavor, we brought in a wide variety of content cutting across genres and to further scale digital content adoption through our content platforms – Vodafone PLAY and Idea Movies & TV.
- As a planned strategy, your Company redesigned its postpaid portfolio under RED & Nirvana, both offering a set of Individual & Family plans. Your Company launched a set of new family plans with plans for upto 5 members to drive higher ARPU. The focus has been on driving FAMILY plan very aggressively to bring in higher stickiness into the base.
- To continue its lead on the International Roaming front, your Company further strengthened its International Roaming propositions with 2 new unique features – AlwaysOn & RoamSafe, both targeted at improving customer experience while using their mobile abroad. During the year, your Company also expanded its UNLIMITED footprint from 20 countries to 30 countries

strengthening its coverage particularly in South East Asia & Europe, where in most key destinations our customers can now enjoy truly unlimited voice & data.

- Vodafone Idea Business Services (VIBS) has created and conducted the first industry council for Automotive. The council was curated with 'IoT' as theme & had representation from various industries across Passenger and commercial vehicle OEMs, consulting and Security experts.
- Through the year, VIBS has made several Press releases reassuring customers that your Company is a trusted and valued partner in helping them succeed in a digital world. The press releases covered customer successes such as Hyundai, KIA, Revolt, product launches covering VSDM, WebBuddy, SD-WAN, and partnerships such as CtrlS, Nokia, CII TechSaksham for MSMEs and Microsoft Azure.
- VIBS launched SDWAN services in partnership with Nokia to offer future ready Hybrid WAN services providing customers to choose from multiple transport networks, faster access to cloud and greater application visibility.
- Credit Insights: Your Company has started partnering with NBFCs & other lenders to provide insights on customer credit potential. The lenders can use these customer consent-based Credit Insights for decision-making on loan disbursement, thereby increasing financial inclusion of wider sections of society.
- Late last year, VIBS launched Global Calling Service (GCS) and the product has seen tremendous uptake by Enterprise customers particularly during the COVID-19 lockdown. This service has allowed employees of these customers to work efficiently from home by dialing out to their international audio conference bridges.

#### *Two Brands – One Company*

- India is a cricket loving nation and IPL gives a great opportunity to connect with consumers. To engage with the subscriber base, increase usage of the website and app, brand Vodafone launched a digital campaign "Unofficial Sponsor of Fans™". This campaign led to Vodafone becoming the most loved brand, increased usage of the website and app and enhanced customer experience on-ground amongst the users.
- After building on the network credentials with the Vodafone SuperNet 4G – The Data Strong Network™, brand Vodafone wanted to ride on the zeitgeist of the country and used its much loved young at heart icons Asha & Bala to inspire people to #LiveMore as they went about making their dream come true while the network enabled

them and made them celebrate moments. The campaign was amplified using TV, OOH and digital.

- Your Company takes pride in providing the best postpaid experience in the country targeted at the High Value Consumer segment with Vodafone REDX. An unparalleled plan that gives up to 50% faster network, 1 year of entertainment with Netflix, Amazon Prime, Zee5 and Vodafone Play, International Roaming, Airport lounge access and more. REDX features many industry firsts offering truly differentiated customer experience, and has elicited extremely positive response from the customers.
- In the constant endeavor to engage and build stickiness, brand Vodafone used Shankar Mahadevan to sing the various entertainment titles in a la breathless style to showcase the width and endless entertainment available through Vodafone Play. The campaign had TV, Print, OOH and Digital legs and continues on digital as an always on campaign.
- Building a competitive advantage by leveraging the network integration and its benefits, your Company launched TurboNet 4G- A network that's built with the strength of two powers Vodafone & Idea, leading to stronger network perception.
- Through the year, Vodafone engaged with its social media users via various topical campaigns around events like Friendship Day, Diwali, Children's Day, Christmas and Holi etc. This helped in driving positive sentiments and buzz for the brand keeping it on top of the mind of the users and gave good lift in brand consideration on digital media.
- In the constant endeavour to provide the best value to customers, the "Idea 4G Sabka Time Aagaya" campaign promoted a unique limited-time offer for every customer where every recharge gets extra benefits over and above the recharge value. The campaign captured the mood of the country and had everyone humming and dancing to the extremely catchy tune of '*Sabka time aagaya kyunki ab sabko milega har recharge pe kuch extra*'. This was a high decibel TV campaign, supported with Radio, Outdoor and Digital among other media.
- Enabling customers to experience the power of internet on feature phones, Idea partnered with Google to launch a campaign for the Idea Phone Line service. To popularize this first-of-its kind service, the campaign highlighted how this service will benefit those who still use feature phones and do not have access to mobile internet. Idea & Google together launched the campaign across diverse mediums like TV, OOH, Radio, Print & Cinema.

- To leverage the improved network experience, local circle campaigns were launched in several circles such as Madhya Pradesh Chhattisgarh (MPCG), Uttar Pradesh (UPW), Maharashtra & Goa (M&G), Kerala, Gujarat & others. Idea had the fastest speeds in Madhya Pradesh Chhattisgarh (MPCG) and parts of Kerala & Gujarat, as certified by OOKLA - a third party recognition of our network speeds. The campaigns were launched on local OOH, Radio & were supported by digital, targeting the towns with improved network experience.

#### **Partnerships & Alliances**

- Your Company, as part of its strategic 'Smartphone for All' program, partnered with an NBFC – Home Credit India Ltd for a unique 'handset & telco recharge' which is made available as an integrated bundle on loan – an industry first. This unique proposition was primarily based on identification of the 'new to credit' customers within our own base, with the help of big data analytics, to target the customers. Customer walking into over 25,000 retail offline stores across the country could buy a 4G Smartphone on EMI along with a 6-month unlimited prepaid plan.
- Your Company has partnered with Amazon India, to build a unique 'Shop-in-Shop' model at our Company-owned stores - providing an assisted sales model involving promoters placed by Amazon, who are responsible for driving sales of Amazon exclusive devices through our stores. During the year, we expanded our footprint from 100 stores to 250 stores. Currently operational in 100 Vodafone branded stores across 7 cities, the Shop-in-Shop model generated a turnover of ₹ 4,850 Mn. It is further planned to expand to close to 250 stores in the coming months.
- Your Company also partnered with leading OEMs – Samsung & Vivo for the launch of their flagship products with joint advertising, with the objective of gaining a higher share of incremental high end customers on our network.

#### **Fueling Growth of Digital**

Continuing with our strategy to partner with the relevant OTT content players, during the Financial Year 2019-20, your Company focused on strengthening the regional play. Your Company executed partnerships with all leading regional content OTT apps like Sun NXT for South, Lionsgate for HSM Markets, Hoichoi for East, Shemaroo for Gujarat, to enhance content offerings and strengthen foothold across all regions. Your Company also revamped both content apps with intuitive



UI/UX, Instant promo video capability, and introduction of PWA/Desktop version for catering to larger segment of customers and enabled Chromecast for TV viewing.

To accelerate the digital footprint and create more value for our customers, your Company deepened its partnerships with the popular digital wallets - PayTM, PhonePe and Amazon Pay to unlock exciting cashback offers, making the plans more affordable and convenient to recharge. Through strategically planned Application Programming Interface (APIs) integrations, Vodafone and Idea prepaid recharges and postpaid bill payments are enabled across most third party digital wallets and payment systems. In a first of sorts, your Company also enabled all the wallets to surface and promote the 121 offers on their platforms.

Your Company also launched MyVodafoneBusiness (MVB) to ensure Enterprise customers are able to enjoy the best in class digital experience for Enterprise Mobility services. Through a mobile responsive digital portal, customers can now manage the enterprise COCP mobility connections, pay bills and raise service requests and more on MVB.

### **Consumer IoT**

In line with the exponential growth in Internet of Things (IoT), your Company has identified several consumer use cases. Of those, connected cars was identified as the immediately available opportunity in the marketplace. To address this opportunity, your Company has built an exciting proposition that aims to make every car smart through a seamless integration of hardware, platform and digital experience. The product was successfully demonstrated at the IMC, 2019 and TeeWalk, our marquee CXO engagement program. Efforts are on to follow this with other exciting use cases.

### **Subsidiaries and Joint Ventures**

As on March 31, 2020, your Company has eleven subsidiary companies, two joint venture companies and one associate company, details whereof are given below:

#### **Subsidiaries**

1. ***Vodafone Idea Manpower Services Limited (VIMSL) erstwhile Idea Cellular Services Limited (ICSL)***  
VIMSL is engaged in the business of providing manpower services to the Company. During the year under review, the name of the Company was changed from Idea Cellular Services Limited to Vodafone Idea Manpower Services Limited effective August 23, 2019. For the Financial Year 2019-20, the total income stood at ₹ 938 Mn compared to ₹ 1,062 Mn in the previous year.
2. ***Vodafone M-pesa Limited (VMPL)***  
VMPL was in the business of Prepaid Payment Instruments (PPI) and Business Correspondence and provided customers with a mobile wallet and money transfer services in the form of M-pesa. During the year under review, the Company decided to wind up both these business voluntarily. The Company surrendered its PPI License issued by the RBI under the Payment and Settlement System Act, 2007 with effect from September 30, 2019 as per the guidance and approval of RBI - Department of Payment and Settlement System [Refer note 43(iii) to the Consolidated Financial Statements for further details]. During the year, VMPL has total income of ₹ 129 Mn as compared to ₹ 830 Mn in the previous year.
3. ***Vodafone Idea Business Services Limited (VIBSL) erstwhile Vodafone Business Services Limited (VBSL)***  
VIBSL is an outsourcing Hub for backend IT support, data centre operations and hosting services to the Company and its subsidiaries. It also has an OSP business. During the year under review, the name of the Company was changed from Vodafone Business Services Limited to Vodafone Idea Business Services Limited effective July 15, 2019. For the Financial Year 2019-20, the total income stood at ₹ 2,238 Mn as compared to ₹ 2,453 Mn in the previous year.
4. ***Vodafone Idea Communication Systems Limited (VICSL) erstwhile Mobile Commerce Solutions Limited (MCSL)***  
VICSL is engaged in the business of trading of Mobile handsets, data card and related accessories and services. During the year under review, the name of the Company was changed from Mobile Commerce Solutions Limited to Vodafone Idea Communication Systems Limited effective June 20, 2019. For the Financial Year 2019-20, the total income stood at ₹ 329 Mn compared to ₹ 484 Mn in the previous year.
5. ***Connect (India) Mobile Technologies Private Limited (CIMTPL)***  
CIMTPL is a wholly owned subsidiary of VICSL. For the Financial Year 2019-20, the total income stood at ₹ 12 Mn compared to ₹ 19 Mn in the previous year.
6. ***Vodafone Foundation (VF)***  
VF – a section 8 Company as per Companies Act 2013. Pursuant to the enactment of Companies Act, 2013 and Section 135 of the Companies Act, 2013. VF is an implementing agency and carries out Corporate Social

Responsibility ('CSR') activities for the Company, its subsidiaries, associates and joint ventures, promoter group companies in line with the Schedule VII of the Companies Act, 2013. VF primarily focuses on CSR activities that includes promoting and development of (a) education, (b) financial literacy, (c) empowerment of woman, (d) healthcare, (e) environment, (f) agriculture & livelihood, (g) eradication of poverty.

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

During the year, your Company has transferred the fibre infrastructure undertaking to VITIL by way of a demerger effective October 15, 2019 with an appointed date of October 1, 2019. VITIL is now engaged in providing the fibre infrastructure services to its customers on existing fibre portfolio of ~ 165,000 kms. The name of the Company was changed from Vodafone Towers Limited to Vodafone Idea Telecom Infrastructure Limited effective December 5, 2019. Accordingly, financial statements for the year ended March 31, 2020 includes financial results of operation of the Fibre Infrastructure undertaking for the period October 1, 2019 to March 31, 2020. For the Financial Year 2019-20, the total income stood at ₹ 2,184 Mn compared to Nil in previous year.

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

VISSL is an outsourcing hub for finance and accounts, human resources, supply chain management, credit & collection support, customer support and catering to the Information Technology (IT) needs for data consolidation, back end IT support for Vodafone Idea Limited and its subsidiary Companies. During the year under review, the name of the Company was changed from Vodafone India Ventures Limited to Vodafone Idea Shared Services Limited effective August 29, 2019. For the Financial Year 2019-20, the total income stood at ₹ 1,362 Mn compared to ₹ 1,914 Mn in the previous year.

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

VITSL has commenced E-Sim business in the current year. During the year under review, the name of the Company was changed from Vodafone Technology Solutions Limited to Vodafone Idea Technology Solutions Limited effective August 31, 2019. For the Financial Year 2019-20, the total income stood at ₹ 0.3 Mn compared to ₹ 0.5 Mn in the previous year.

**10. *You Broadband India Limited (YBIL)***

YBIL is engaged in providing high speed broadband internet access through cable network, high bandwidth internet broadband services to enterprise segment, infrastructure support to licensed telecommunication service providers. For the Financial Year 2019-20, the total income stood at ₹ 1,865 Mn compared to ₹ 1,909 Mn in the previous year.

**11. *You System Integration Private Limited (YSIPL)***

YSIPL is a wholly owned subsidiary of YBIL. Its principle business is providing system integrators, enterprise and home solutions providers including supply, commissioning and integration of hardware, software and middleware towards providing security, storage and threat management and mitigation. With an objective of internal corporate restructuring, YSIPL has approved amalgamation of itself with its immediate holding company YBIL. For the Financial Year 2019-20, the total income stood at ₹ 0.2 Mn as compared to ₹ 0.3 Mn in previous year.

During the Financial Year 2019-20, Idea Telesystems Limited and Vodafone India Digital Limited have been merged with the Company effective March 1, 2020 with an appointed date of April 1, 2019.

**Joint Venture Company**

**1. *Indus Towers Limited***

Indus Towers Limited (Indus), in which your Company holds 11.15% stake, is a joint venture with the Bharti Group and Vodafone Group and provides passive infrastructure services in 15 service areas. The revenue from operations for the Financial Year 2019-20 was ₹ 188,586 Mn as against ₹ 185,100 Mn in the previous year. The merger of Indus Towers Limited with Bharti Infratel Limited, is currently pending, as some of the conditions precedent to the scheme are yet to be fulfilled.

**2. *Firefly Networks Limited***

Firefly Networks Limited ('FireFly') is a joint venture with Bharti Airtel Limited, both are having equal (50% each) shareholding. The main objective of Firefly is to conduct the business of site acquisition, installation, commissioning, operations and maintenance of Infrastructures at the Hotspots to enable telecommunication and internet service providers, to offer customers Wi-Fi access across the territory. Revenue from operations for the Financial Year ended March 31, 2020 was ₹ 150 Mn as compared to previous year's ₹ 149 Mn.

### Associate Company

**Aditya Birla Idea Payments Bank Limited (ABIPBL)**, an associate of the Company has decided to wind up business voluntarily on July 19, 2019, due to unanticipated developments in the business landscape of payments bank that have made the economic model unviable. ABIPBL has filed for voluntary winding up before the Bombay High Court and the Hon'ble High Court vide its order dated September 18, 2019, approved voluntary winding up of ABIPBL and directed the liquidator to complete the process in a time bound manner. ABIPBL is in process of winding-up.

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

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

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

### Consolidated Financial Statements

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

### Risk Management

In compliance with the requirements of regulations contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, your Company has constituted a sub-committee of Directors known as Risk Management Committee, details

whereof are set out in the Corporate Governance Report forming part of the Annual Report to oversee Enterprise Risk Management Framework. The role of the Risk Management Committee is inter alia to approve the strategic risk management framework of the Company, and review the risk mitigation strategies and results of risk identification, prioritization & mitigation plans.

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

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

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

### Employee Stock Option Schemes

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

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

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

A certificate from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004),

Statutory Auditors, certifying that the Company's Stock Option Plans are being implemented in accordance with the ESOP Regulations and the resolution passed by the Members, would be placed at the Annual General Meeting for inspection by Members.

#### Internal Financial Control Systems and its adequacy

Your Company has in place adequate internal control systems commensurate with the size of its operations. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal auditors and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2019-20.

#### Human Resource Management

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

#### Management Discussion and Analysis

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

#### Corporate Governance

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

#### Business Responsibility Report

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

#### Corporate Social Responsibility

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

Your Company has also in place a CSR Policy and the same is available on your Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com).

In view of the losses incurred by the Company during the last two financial years, the Company has no obligation for CSR spend during the Financial Year 2019-20.

However, believing on giving and caring for the underprivileged and inclusion of all, as well as the directive of Ministry of Corporate Affairs, the Board of the Company had passed a resolution to spend the unspent CSR obligation for Financial Year 2015-16 and 2016-17 in eight equal quarters beginning from April-June 2019. In Financial Year 2019-20, your Company spent ₹ 325.3 Mn towards CSR activities.

The Company's CSR initiatives positively impacted the lives of around 28 lakh people across 18 states through multiple initiatives undertaken in the domains of Vidya – Education; Swasthya – Health; and Aamdani - Sustainable livelihood.

The Company has received accolades from Ministry of Drinking Water and Sanitation for Somnath Temple Complex.

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

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in 'Annexure B' forming part of this Report.

#### Directors' Responsibility Statement

The audited financial statements for the year under review are in conformity with the requirements of the Companies Act, 2013 and the applicable Accounting Standards. The financial statements reflect fairly the form and substance of transactions



carried out during the year under review and reasonably present your Company's financial condition and results of operations. Your Directors, to the best of their knowledge and belief, confirm that:

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

#### Directors and Key Managerial Personnel

Mr. Balesh Sharma stepped down from the office of Chief Executive Officer with effect from August 19, 2019. The Directors placed on record their appreciation for the contribution made by him during his tenure.

The Board on the recommendation of Nomination & Remuneration Committee appointed Mr. Ravinder Takkar, a Non-Executive Director on the Board of the Company as the Managing Director and Chief Executive Officer of the Company for a period of three years effective from August 19, 2019, subject to the approval of the shareholders. Mr. Ravinder Takkar has been with Vodafone Group since 1994 and brings a wealth of experience in telecom industry having worked in several leadership position across Vodafone operating companies over the last 25 years.

In accordance with the provisions of the Companies Act, 2013, Mr. D. Bhattacharya and Mr. Vivek Badrinath are liable to retire from office by rotation, and being eligible, have offered themselves for re-appointment at the ensuing Annual General Meeting of the Company.

The Independent Directors appointed during the year have given the declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. Further, all Independent Directors of the Board have provided declaration that they meet the criteria of Independence as per Section 149(7) of the Companies Act, 2013.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

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

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. Ravinder Takkar, Managing Director & Chief Executive Officer (effective August 19, 2019), Mr. Akshaya Moondra, Chief Financial Officer and Mr. Pankaj Kapdeo, Company Secretary. Mr. Balesh Sharma ceased to be a key managerial personnel with effect from August 19, 2019.

#### Board Evaluation and Familiarization Programme

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

The details of programme for familiarization of Independent Directors of your Company is available on your Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com)

#### Remuneration Policy

The Company has a Remuneration Policy in place encompassing the appointment and remuneration philosophy of the Company. The Policy comprises of the various elements and terms of appointment. The Policy consists of various aspects in connection to Remuneration Program applicable for Directors,

Key Managerial Personnel and Senior Management of the Company, Performance Goal Setting, Benefit & Perquisites, Compliance and other such elements.

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

#### **Dividend Distribution Policy**

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

#### **Board Meetings**

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

#### **Board Committees**

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

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

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

#### **Contract and Arrangements with Related Parties**

All contracts/ arrangements/transactions entered by the Company during the financial year with the related parties are

detailed in the Note 57 of the Standalone Financial Statements were in ordinary course of business and at an arm's length basis.

The related party transaction which are considered material during the year is the existing arrangement with Indus Towers Limited (Indus), a joint venture of the wholly owned subsidiary of your Company which provides Passive Infrastructure services and related operations and maintenance services to various telecom operators in India, including your Company. Indus is currently one of the world's largest independent passive infrastructure providers. Your Company had entered into a Master Service Agreement (MSA) with Indus in 2008 (which has been amended from time to time) for availing passive infrastructure services provided by them in certain service areas. The MSA requires individual tenancy service contracts to be executed for each passive infrastructure site, the terms of which vary depending on the location, type of site, number of existing tenants, etc. and contain lock in period for ensuring continuity. Such terms are similarly applicable to all other telecom providers having arrangement with Indus. The details of the material related party transaction with Indus for the Financial Year ended March 31, 2020 is provided in Form AOC-2, which is attached as 'Annexure C' to this report.

Your Directors wish to inform you that pursuant to the ongoing merger of Indus Towers Limited (Indus) with Bharti Infratel Limited (BIL), BIL shall also become Related Party and consequently approval of the members shall also be obtained for contracts with Bharti Infratel Limited.

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

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

The policy on Related Party Transactions is uploaded on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com).

### Particulars of Loans, Guarantees and Investments

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

### Vigil Mechanism – Speak up policy

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

The Vigil Mechanism – Speak Up policy is available on your Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com).

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

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

### Particulars of Employees

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

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

### Statutory Auditors

The members of the Company had at its Annual General Meeting held on June 30, 2017, appointed M/s. S.R. Batliboi

& Associates LLP, Chartered Accountants, Firm Registration No. 101049W/E300004), as the Statutory Auditors of the Company for a period of five consecutive years, i.e. till the conclusion of Twenty Seventh Annual General Meeting of the Company to be held in the calendar year 2022, by members at every Annual General Meeting.

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

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

### Auditors' Report and Notes to Financial Statements

The Board has duly reviewed the Statutory Auditors' Report on the Financial Statements including the emphasis of matter relating to the DoT demands based on Supreme Court judgment on the AGR matter and breach of debt covenants, which has resulted in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern. The report does not contain any qualification, disclaimer or adverse remarks.

The clarifications on the Emphasis of Matter have been provided in Note 4 to the financial statements section of the Annual Report. The Board believes that the Company's ability to continue as a going concern is essentially dependent on a positive outcome of the application before the Hon'ble Supreme Court for the payment in instalments and successful negotiations with lenders.

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

### Reporting of Frauds by Auditors

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

### Cost Audit and Cost Auditors

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

In terms of the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company on the recommendation of the Audit Committee appointed M/s. Sanjay Gupta & Associates, Cost Accountants, as the Cost Auditors, to conduct the Cost Audit of your Company for the Financial Year ended March 31, 2020, at a remuneration as specified in the notice convening the Annual General Meeting.

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

### Secretarial Auditor

In terms of the provision of the Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Umesh Ved & Associates, Company Secretaries, Ahmedabad, as the Secretarial Auditor for conducting the Secretarial Audit of your Company for the Financial Year ended March 31, 2020. The report of the Secretarial Auditor is annexed to this report as 'Annexure F'. The contents of the Secretarial Audit Report are self-explanatory and do not contain any qualification, reservation or adverse remark.

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

### Extract of Annual Return

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return

in Form MGT 9 for the Financial Year ended March 31, 2020 is annexed herewith as 'Annexure G' to this report.

### Sustainability Journey

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

Being India's leading telecom company Vodafone Idea's corporate responsibility agenda is directed towards addressing some of India's critical social and developmental challenges in both rural and urban communities using the inherent potential and reach of the mobile technology and platform and reducing the environmental impact with increasing preference and usage of digital.

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

At Vodafone Idea Limited, we understand the evolving dynamism in our operating environment. We try to preempt uncertainty by plotting scenarios that allow us to understand the external risks to our business. We prioritize adaptability, agility and foresight to ensure that our business models, operations, acquisitions and projects are not locked into unsustainable paths.

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

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

We are in the process of designing long term risk and Enterprise Risk Management framework for business sustainability. We



have also identified associated risks linked to external factors for telecom business.

The Company is publishing regular (Bi-annual) dedicated Sustainability Reports as per international standards from Financial Year 2015-16. Its previous Sustainability Reports aligned to GRI G4 Guidelines are already in public domain and can be downloaded from the Company's website.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial Year 2019-20, 8 complaints pertaining to sexual harassment were received and as on March 31, 2020, all have been resolved.

#### **Other Disclosures**

- There are no material changes and commitments affecting the financial position of your Company between end of financial year and the date of report, other than those disclosed in the significant developments section of the Board's report.
- Your Company has not issued any shares with differential voting.
- There was no revision in the financial statements.
- Your Company has not issued any sweat equity shares.

- There has been no change in the nature of business of your Company.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future, other than the order passed by the Hon'ble Supreme Court on the AGR matter, which has been disclosed in the significant developments section of the Board's report.

#### **Acknowledgement**

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

#### **For and on behalf of the Board**

**Himanshu Kapania**  
Non-Executive Director  
(DIN : 03387441)  
Place : Mumbai

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

Date : June 30, 2020

## Annexure 'A' to the Directors' Report

**Form AOC-I**  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
**Part "A": Subsidiaries**

₹ Mn

Sr. No.	Particulars	Name of Subsidiary															
		Vodafone Manpower Services Limited (formerly Idea Cellular Services Limited)	Connect (India) Mobile Technologies Private Limited	Vodafone Communication Systems Limited (Formerly known as Mobile Commerce Solutions Limited)	Vodafone Idea Business Services Limited (Formerly known as Vodafone Business Services Limited)	Vodafone Foundation	Vodafone Idea Shared Services (Formerly known as Vodafone India Ventures Limited)	Vodafone m-pesa Limited	Vodafone Idea Telecom Infrastructure Limited (Formerly known as Vodafone Towers Limited)	Vodafone Technology Solutions Limited (Formerly known as Vodafone Technology Solutions Limited)	You Broadband India Limited	You System Integration Private Limited <sup>2</sup>					
1	The date since when subsidiary was acquired	October 3, 2007	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	
2	Reporting period	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	April 1, 2019 - March 31, 2020	
3	Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
4	Equity Share Capital	1	1,499	4,053	1	-*	20	2,371	18	5	750	10					
5	Other Equity	4	(1,259)	(2,316)	(2,632)	(4)	36	(3,295)	(2,129)	(99)	(712)	(8)					
6	Total Assets	139	246	1,806	7,787	503	1,630	319	52,608	18	3,043	3					
7	Total Liabilities	134	6	69	10,418	507	1,574	1,243	54,719	112	3,005	1					
8	Investments other than investments in Subsidiary	-	-	-	-	-	-	-	-	-	-	-					
9	Turnover (Total Revenue)	938	12	329	2,238	427	1,362	129	2,184	-*	1,865	-*					
10	Profit/(Loss) before Taxation	10	(10)	153	17	2	(8)	(947)	(2,117)	(18)	(357)	-*					
11	Provision for taxation	3	2	-	-	-	4	(1)	-	-	1	-					
12	Profit/(Loss) after Taxation	7	(12)	153	17	2	(12)	(946)	(2,117)	(18)	(358)	-*					
13	Other Comprehensive Income/(Loss)	(6)	-	-	-	-*	(14)	2	-	-	(2)	-					
14	Total Comprehensive Income/(Loss)	1	(12)	153	17	2	(26)	(944)	(2,117)	(18)	(360)	-*					
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-					
16	% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%					

**Notes:**

1. Connect (India) Mobile Technologies Private Limited is a wholly owned subsidiary of Mobile Commerce Solutions Limited.
  2. You System Integration Private Limited is a wholly owned subsidiary of You Broadband India Limited.
  3. Idea Telesystems Limited and Vodafone India Digital Limited has been merged with the Company w.e.f. March 1, 2020 with an appointed date of April 1, 2019.
- \*Numbers are below one million under the rounding off convention adopted by the Company and accordingly not reported.

## Annexure 'A' to the Directors' Report (contd.)

## Part "B": Associates and Joint Ventures

₹ Mn

Sr. No.	Particulars	Associate	Joint Ventures	
		Aditya Birla Idea Payments Bank Limited <sup>@</sup>	Indus Towers Limited	Firefly Networks Limited
1	Last Audited Balance Sheet Date	March 31, 2019	March 31, 2020	March 31, 2020
2	Date on which the Associate or Joint Venture was associated or acquired	February 19, 2016	December 8, 2007	August 31, 2018
	Number of Shares held by the Company as on March 31, 2020	-	132,868	1,000,000
	Amount of Investment in Joint Venture / Associate <sup>#</sup>	-	42,155	10
	Extent of holding %	49.00%	11.15%	50.00%
3	Description of how there is a significant influence	Refer Note 2 below	-	-
4	Reason why the Joint Venture is not consolidated	N.A.	N.A.	N.A.
5	Net worth attributable to Shareholding as per latest audited Balance Sheet*	-	15,217	27
6	Profit / (Loss) for the year			
	i. Considered in Consolidation	(124)	3,666	11
	ii. Not Considered in Consolidation	-	-	-
7	Other Comprehensive Income / (Loss) for the year			
	i. Considered in Consolidation	1	(3)	-
	ii. Not Considered in Consolidation	-	-	-
8	Total Comprehensive Income / (Loss) for the year			
	i. Considered in Consolidation	(123)	3,663	11
	ii. Not Considered in Consolidation	-	-	-

## Notes:

- There were no joint ventures liquidated during the Financial Year 2019-20.
  - Significant influence by virtue of having directors on the board of Aditya Birla Idea Payments Bank Limited.
- <sup>#</sup> Amount of investment in joint ventures/associate is based on the carrying value of investments in the standalone financial statements of the Company.
- <sup>\*</sup> Represent networth attributable to the Company.
- <sup>@</sup> Aditya Birla Idea Payment Bank Limited (ABIPBL), has decided to wind up business voluntarily (voluntary winding up) on July 19, 2019 subject to requisite regulatory approvals and consent. The Company is currently under liquidation. Accordingly, the Company has made a provision for impairment of the entire amount of investments in ABIPBL of ₹ 2,788 Mn and additional amount of ₹ 98 Mn contributed in proportion to shareholding during the year towards liquidation expenses under exceptional items.

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

Himanshu Kapania  
Director  
(DIN : 03387441)  
Place: Mumbai

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

Akshaya Moondra  
Chief Financial Officer  
Place: Jodhpur

Pankaj Kapdeo  
Company Secretary  
Place: Mumbai

Date : June 30, 2020

## Annexure 'B' to the Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) Activities

1	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	To actively contribute to the social and economic development of the communities by leveraging technology and purposeful innovation to catalyse social prosperity, digital literacy and inclusivity. The focus areas of intervention are - Agriculture, Education, Health, Livelihood and Women Empowerment. The Company's CSR policy can be accessed on the Company's website: <a href="http://www.vodafoneidea.com">www.vodafoneidea.com</a> .
2	The composition of CSR Committee	(i) Ms. Neena Gupta, Chairperson (ii) Mr. Arun Adhikari, Member (iii) Mr. Krishnan Ramachandran, Member (iv) Mr. Ravinder Takkar, Member
3	Average Net Profits of the Company for last three financial years	Not Applicable, as the average net profits for last three financial years is negative.
4	Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)	No obligation for FY 2019-20. However, Ministry of Corporate Affairs has directed the Company to spend the unspent CSR obligation for Financial Year 2015-16 and 2016-17 aggregating to ₹ 727.2 Mn in 8 quarterly installments of ₹ 90.9 Mn each, commencing from April 1, 2019.
5	Details of CSR Spent during the Financial Year	
	– Total Amount spent for the Financial Year	₹ 325.30 Mn
	– Amount unspent, if any	Not Applicable
	– Manner in which the amount spent during the Financial Year	Details specified as under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
1.	<b>Jigyasa – Building knowledge for life –</b> The project aims to build knowledge for life and addresses some of the most pressing concerns faced by education sector in India by building the capacity of teachers, introducing digital content in the classroom to make learning and teaching more enjoyable, and also augment the existing digital infrastructure as needed. Additionally, we have also developed a scholarship discovery and assistance platform– <a href="http://www.learningwithvodafone.in">www.learningwithvodafone.in</a> The portal currently curates information of over 130 scholarships in 7 Indian languages worth ₹ 15,000 crore.	Promoting education	1. Uttarakhand 2. Uttar Pradesh 3. Madhya Pradesh 4. Rajasthan 5. Chhattisgarh	120.90	88.35	88.35	Vodafone Foundation



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
	Project has benefitted around 3 lakh students and 12000 teachers across 2200 schools. More than 6.64 lakh students have registered on scholarship portal and more than 25,000 students have received a scholarship through our efforts.						
2	<b>Health Entrepreneurs –</b> Diagnostic Tests: Building on the learnings from the project of past years, this year the project aims to screen school children for Anemia and build Community Health Entrepreneurs (CHE). The project has conducted diagnostic test for anemia of 3 lakh students. It has also raised awareness among the people about the significance of diagnostic tests in general and on critical parameters of anemia in particular.	Preventive Health	1. Bihar 2. Chhattisgarh 3. Uttarakhand 4. Telangana 5. Maharashtra	27.90	20.00	20.00	Vodafone Foundation
3	<b>Financial literacy -</b> Jaadu Ginni Ka: Using the power of mobile technology, Vodafone Foundations's flagship programme on financial literacy aims to create awareness amongst youth, urban poor, farmers, artisan, rural women, micro-entrepreneurs, students (15 years and above) on the basic tenets of financial planning/management and on several government schemes. It also aims to create awareness amongst beneficiaries against financial fraud and exploitative financial schemes.  To make the people aware with the basic aspects of day to day financial things seven customized vans in association with CSC academy were started under its Gali-Gali Gaon Gaon component. The initiative has led to inculcation of better financial habits including savings among people. Some of them have reported savings of ₹ 300 per month.		1. Delhi 2. Uttar Pradesh 3. Rajasthan 4. Gujarat 5. Maharashtra 6. Jharkhand 7. West Bengal 8. Karnataka 9. Telangana 10. Andhra Pradesh 11. Kerala 12. Tamil Nadu 13. Odisha 14. Uttarakhand 15. Goa	19.00	19.00	19.00	Vodafone Foundation
4	<b>Digital Village:</b> The project aims to create model villages in Gadchiroli, Maharashtra, and set up food supply chain system using mobile technology to help the rural sales women and enhance their livelihood through technology integration.	Eradication of poverty Gender equity and empowerment	1. Gujarat 2. Madhya Pradesh 3. Uttar Pradesh 4. Rajasthan 5. Maharashtra	50.00	42.00	42.00	Vodafone Foundation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
	24 model villages have been created in Gadchiroli district. In these villages there has been improvement of around 30% on key SDGs with respect to baseline data. Similarly 4700 SHG rural women have been trained on the use of RSV mobile application to sell agro food products in Gujarat, Madhya Pradesh, Uttar Pradesh and Rajasthan. .						
5	<p><b>Connecting for Good</b></p> <p>The project aims to foster an ecosystem for promoting use of technology in addressing social challenges and empower NGOs to drive innovation, disseminate knowledge and upscale their interventions for greater impact through two distinct components: Social App Hub and Solution for Good.</p> <p>Social App Hub, <a href="http://www.socialapphub.com">www.socialapphub.com</a>, is a crowdsourcing platform, curating mobile solutions with social impact. Social App Hub features over 800 apps and offers a plethora of knowledge.</p> <p>Solution for Good focuses on building innovative technology solutions that addresses the social challenges and have large scale replicability.</p>		Pan India	30.00	20.00	20.00	Vodafone Foundation
6	<p><b>Smart Agri</b></p> <p>The project addresses the challenges related with the agriculture by bringing in use of technology to improve the agriculture productivity and socio-economic condition of the farmers. It aims to enhance livelihoods of 50,000 small farmers (cotton, soya) through sustainable farming approaches and improve agriculture practices by adopting IOT based solutions through Sensors, Multilingual Application, Query Bot, Crop Disease Detection, and Artificial Intelligence for data analysis. It also build entrepreneurs in the form of lead farmers who support a cluster of farmers through tech-enabled 100 demonstrations farm land.</p>		1. Maharashtra 2. Madhya Pradesh	253.00	107.00	107.00	Vodafone Foundation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
7	<b>Scholarship</b> The project aims to provide financial support to deserving students and acknowledge outstanding teachers for their academic endeavors. Under the initiative 2500 scholarships for the students and incentive to 200 teachers are being provided.	Promoting education		70.00	0	0	Direct
8	<b>Overheads</b>	Misc. Expense		5.20	1.05	1.05	Direct
	<b>Total</b>			<b>576.00</b>	<b>297.30</b>	<b>297.30</b>	
<b>Carried forward project of previous years</b>							
1	<b>Swachh Iconic Place, Somnath Temple under Swachh Bharat Mission:</b> The project is under implementation since the year 2017. It supplements the Government of India's initiative to enhance cleanliness across India's rich heritage sites. During the reporting year the focus was on to raise awareness on water and sanitation using IEC materials, creating greenery around Temple complex, water and sanitation facilities in and around Temple including public places in Somnath etc.	Sanitation and making available safe drinking water	Gujarat (Somnath)	50.00	26.00	50.00**	Direct
2	<b>Girl Child Education – Vidya Har Beti Ka Adhikar</b> 'Vidya Har Beti Ka Adhikar' initiative started in the year 2017 and aims to improve the learning environment in the schools and promote joyful learning. During the year the project was implemented in Sitamarhi, Bihar. Key activities taken under the initiative in three government schools are setting up digital learning infra and various infra renovation related activities viz. white wash and repairing of school buildings, water and sanitation facilities, classroom furniture, sport kits, set-up of library, e-Vidya Kendra (Computer Lab) etc.	Promoting education	1. Bihar 2. Madhya Pradesh	25.00	2.00	23.00	
	<b>Total</b>			<b>75.00</b>	<b>28.00</b>	<b>73.00</b>	
	<b>Grand Total</b>			<b>651.00</b>	<b>325.30</b>	<b>368.40</b>	

\*\* The Project Expenditure inclusive of GST

**6. Reason for not spending two percent of the average net profit of the last three Financial Years on CSR:**

Not Applicable.

The average net profits calculated for last three Financial Years is negative for the Financial Year 2019-20. However, on the directive of the Ministry of Corporate Affairs with respect to spend the unspent obligation of Financial Year 2015-16 and 2016-17, the Company has spent ₹ 325.30 Mn towards CSR activities during Financial Year 2019-20. The Company's CSR initiatives positively impacted the lives of around 28 lakh people across 18 states through multiple initiatives undertaken in the domains of Vidya - Education, Swasthya - Health and Aamdani - Sustainable livelihood.

The Company has received accolades from Ministry of Drinking Water and Sanitation for Somnath Temple Complex.

**7. A Responsibility Statement of the Corporate Social Responsibility Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company:**

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the Company.

**Neena Gupta**  
Chairperson - CSR Committee  
(DIN: 02530640)  
Place: Gurugram

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

Date : June 29, 2020



## Annexure 'C' to the Directors' Report

### Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]  
**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto for Financial Year 2019-20:**

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

Particulars	Information
(a) Name(s) of the related party and nature of relationship	Indus Towers Limited (Indus) [Joint venture of the Company]
(b) Nature of contracts/ arrangements/ transactions	Master Service Agreement (MSA) for Passive Infrastructure services and related Operations & Maintenance services.
(c) Duration of the contracts/ arrangements/ transactions	The maximum term of each tenancy service contract executed for each passive infrastructure site under the MSA is 10-15 years, with either party having a right to terminate, subject to certain conditions.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Passive Infrastructure services are provided by Indus mainly on co-sharing basis for each Passive Infrastructure site, after obtaining necessary approvals, which enables the Company to deploy active equipment on sites for providing telecom services. The aggregate value of the transaction for Financial Year 2019-20, towards avilment of services from Indus is ₹ 80,093 Mn.
(e) Date(s) of approval by the Board, if any; and Audit Committee	Audit Committee : June 30, 2020 Board Meeting : June 30, 2020
(f) Amount paid as advances, if any	Nil

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

**Himanshu Kapania**  
 Director  
 (DIN : 03387441)  
 Place: Mumbai

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

**Akshaya Moondra**  
 Chief Financial Officer  
 Place: Jodhpur

**Pankaj Kapdeo**  
 Company Secretary  
 Place: Mumbai

Date : June 30, 2020

## Annexure 'D' to the Directors' Report

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

#### A. CONSERVATION OF ENERGY

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

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

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

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

#### Networks

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

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

The initiatives undertaken are as below:

- Over 75% of VIL BTS portfolio - Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS)

- Over 55,000 sites from IP Partners are green sites;
- Diesel elimination project initiated by VIL to reduce carbon footprint currently implemented at over 12,000 sites resulting in reduction in Diesel consumption by 2.5 Mn Litres in Financial Year 2019-20;
- 100% of the telecom hardware procured by the Company is low power consuming telecom hardware;
- New Sites Deployment on Sharing Basis: >95% of the sites deployed were at existing 2G sites and/or shared sites as part of the mandated initiative to reduce carbon emissions and energy consumption;
- The Company continued active equipment energy saving initiatives like power savings feature on MGW cards during low traffic period. All new packet-core deployments as well as new MSS/VoLTE circuit-core deployments use cloud architecture; and
- RET based generation through PPAs, against VIL's consumption is 8.85 MW.

#### Green IT

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

- Cloud Computing & Virtualization: The Company has setup multiple, interconnected, high capacity servers to provide a huge resource pool and centralized management through Cloud computing enabling the delivery of IaaS (Infrastructure as a Service). This Cloud computing initiative has resulted in reduction of hardware footprint & energy consumption as well as optimal utilization of resources;
- Moving to MPS (Managed Print Services): The Company has initiated the process of deploying managed print services for the working environment;
- Electronic Billing: The Company constantly attempts to reduce the usage of paper, resulting in physical copies of bills and receipts. This is done through the deployment of best-in-class digital assets and user-friendly payment options. VIL promotes electronic billing to the customers and create awareness on its impact on environment;

- Video Conferencing: To reduce GHG (Green House Gases) emissions, the Company actively promotes the use of Video Conferencing (VC) as an alternative to travelling for meetings both inter and intra city, especially for internal purposes;
- Night-watchman: A script was deployed at SCCM level, which checked for Powered ON & will shut down machines during off business hours; and
- Power saving features implemented to reduce energy consumption.
- Variable Frequency Drives (VFDs) have been installed in the data center's HVAC systems to automatically reduce the speed and power consumption of motors when there is lower system load including chilled water pump motors and cooling tower fan motors.
- Based on power audits and an extensive study of energy usage, various initiatives have been undertaken over the years to optimize the usage of electricity, such as:
  - Identification and rectification of hot spots
  - Optimization of lighting and AC Usage (By utilizing LED and occupancy sensor)

### **Data Centre**

Your Company has 2 National Data Centres; one located at Airoli, Mumbai and the other at Hinjewadi, Pune. Both data centers are well under the "Efficient" category on Standard Parameter of PUE (Power Usage Effectiveness). The Company measures Data Centre Energy efficiency on an ongoing basis and the Average PUE is 1.60 for Airoli and 1.70 for Hinjewadi (which falls under the "Efficient" Category). The following measures are being undertaken to reduce energy use and/ or save energy and related emissions in your Data Centre:

- Water based Air cooled chillers have been used in the Hinjewadi and water cooled chillers Airoli Data Centre to reduce energy consumption.
- Hot & Cold Aisle concept for better air circulation in Data Centre - Usage of Pro-curtain for separation of cold aisle and hot aisle for better cooling. Cold aisle containment implemented to increase HVAC efficiency, saving on energy consumption and to reduce related emissions.
- Active Floor based cooling system - directing the cool air to the area where it is required rather than flooding the entire Area.
- False Flooring & False Ceiling void for better cooling.
- Different Temperature zones to reduce air loss.
- Thermal Insulation along the flooring/ceiling to reduce heat dissipation including Utility (UPS, Transformer, Battery, Panel) Rooms.
- Usage of Blanking panel in empty space of server Racks to reduce short cycling of cold air and hence for improved HVAC efficiency.
- At Hinjewadi we are using APFC to improve Power Factor in electrical distribution system and to reduce the energy consumption & Harmonics. At Airoli design accommodates various load balancing to achieve unity PF.
- Usage of PAC (Precision Air Conditioner) - Non DX units (without compressor and HVAC gases).
- DAPC (Digital Active Power Conditioning) has been installed for Harmonic Distortion to avoid Power Losses, Protection of non-linear load and to improve Power Quality.
- During Winter Season Chiller Optimization obtained by operating 3 Circuits of 2 Chillers in the night. By practicing this the Data Centre has achieved 140 KWH savings per hour while maintaining the desired DC Temp. Other advanced chilled water optimization routines are a part of the Airoli chilled water system.
- In PAC (Precision Air Conditioner), Blower FAN operates as per the Set Point Temp. Blower Fan's Maximum Rated Load is 3.2 KW on 100% Fan speed. It is running Blower Fan at 70% Speed which consume 1.6 KW without affecting the Cooling Requirement of the Data Centre.
- Due to Efficient Running of Chillers and PAC's we are able to manage the chilled water flow by operating Single Pump System at Hinjewadi.
- At Hinjewadi VRV (Variable Refrigerant Volume) System are installed in office areas for office cooling. Apart from Workstation Area, the VRV System operates on need basis in Meeting Rooms & Cabins. Also on weekends VRV System operates on need basis only in areas where the actual staff is present.
- Implemented LED lighting system in DC and most of the office floors and also office area lighting is scheduled and on need basis in areas where the actual staff is present after the office hours. By practicing this VIL is achieving power saving without compromising lux level in required office areas.
- Reduction in frequency of Daily DG Test Run, which has resulted in saving of fuel & DG running hours without compromising the reliability /Availability of Data Centre backup power.

- Carrying all the planned preventive maintenance activities of the Utility systems like HT Panels, Transformers during the scheduled MSEB Power shutdown, which has resulted in reducing the DG running hours /Fuel Consumption.

#### Facilities

- Your Company is working to reduce its Carbon footprint by adoption of newer technologies and changing the consumption mix to include more renewable energy generators. The Company's new Projects are conceptualized giving high priority to the energy efficient design. The Company operates with lux levels below 300 and keeps a good mix of natural and artificial illumination for conserving energy.
- Your Company's office facilities have lighter surface colours and patterns, which absorb less and contribute to better lighting. The Company uses a combination of energy efficient CFL and LED lighting for illumination at our facilities. However new projects have all LED fittings.
- In Air-conditioning space, your Company uses star rated BEE (Bureau of Energy Efficiency) certified air conditioners in our facilities. The Company also uses VRV systems apart from the energy efficient chillier plants in your facilities.
- The Company's Energy Management includes regular monitoring of energy consumption of different types of loads on a daily basis and helps the Company to take corrective measures on an immediate basis. The Company's average square feet consumptions have reduced over a period and match the benchmarks for office space.
- Some of the other measures in the Company's office premises include:
  - Usage of Electronic ballasts instead of Copper ballasts for improved efficiency and reduction in energy consumption and emissions.
  - Usage of logic controlling for emergency lights. Automatically is set on during power failure.
  - VRV and inverter based Air conditioning is being used in office area instead of a centralized system.
  - Switching off all non- critical loads (office AC, lights, unused meeting rooms/cabins etc.) after working hours.
  - Switching off all FACADE lights near to outer glass of premises.
- Your Company is replacing existing CFL based lighting fixtures to LED based fixtures on OPEX model for older facilities to achieve 100 percent conversion to lesser consumption loads.

- All new facilities are being designed to conform to LEED certification standards. This will ensure lesser energy and water consumption per sq. ft. basis and also reduce the Company's carbon footprint.

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

The following initiatives have been undertaken by the Company in the previous years, to utilize alternate sources of energy, and the same installations continued to be service in Financial Year 2019-20 also.

**On-Site Solar implementation:** 25 KW of installed capacity continued to be in operation.

**Off-Site Renewable Energy (RE) Deployment:** This concept was also initiated in Financial Year 2014-15 based on Carbon abatement principle. In Financial Year 2019-20:

- 6 MW Solar PPA in AP - 3.1 Mn Solar Units generated;
- 1.25 MW Solar PPA in MP - 0.75 Mn Solar Units generated;
- 2 MW Wind PPA in TNC - 2.4 Mn Wind Units generated;
- 2 MW Solar PPA in Maharashtra Circle has been implemented leading to 0.3 Mn Solar Units generated ; and
- In addition we also have a wind PPA at Chennai and 0.6 MW hydro PPA at Delhi location.

#### (c) The capital investment on energy conservation equipment:

The capital investment on energy conservation equipment was not material during the Financial Year ended March 31, 2020.

#### B. TECHNOLOGY ABSORPTION

##### a) Efforts made towards technology absorption

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



has caused the Company to seek non-traditional ways for densification and optimisation of its networks. The Company has embraced new technologies to overcome these challenges.

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

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

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

The cost of implementation of operations network is most optimal due to in-house handling of planning and designing. The speed to market was much better in terms of rural rollout and rollout of 3G and 4G sites due to strong in-house competency.

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

With the help of latest technology, we have transformed our network in an environment-friendly manner by deploying 'green' base stations, reducing power consumption and footprint, converting a majority of units into outdoor

units, and eliminating the need for air-conditioning. These steps have resulted in significant reduction in our carbon footprint.

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

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

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

None

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total foreign exchange used and earned for the year:

- (a) Total Foreign Exchange Earnings : ₹ 17,652 Mn  
 (b) Total Foreign Exchange Outgo : ₹ 68,179 Mn

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

**Himanshu Kapania**  
 Director  
 (DIN : 03387441)  
 Place: Mumbai

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

Date : June 30, 2020

## Annexure 'E' to the Directors' Report

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

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 are as under:

#### Directors

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

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

#### Key Managerial Personnel

Sr. No.	Name of KMP and Designation	Remuneration for FY 2019-20 (₹ in Lacs)	% increase in Remuneration in FY 2019-20 <sup>§</sup>	Ratio of remuneration of each KMP to median remuneration of employees
1.	Mr. Ravinder Takkar Managing Director & Chief Executive Officer (w.e.f. August 19, 2019)	-	Note (a)	Note (a)
2.	Mr. Balesh Sharma Chief Executive Officer (w.e.f. August 31, 2018)	859.13	Note (b)	Note (b)
3.	Mr. Akshaya Moondra Chief Financial Officer	524.18*	46.4 <sup>^</sup>	49.2
4.	Mr. Pankaj Kapdeo Company Secretary	170.43*	25.0 <sup>^</sup>	16.0

#### Notes:

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

(b) Mr. Balesh Sharma resigned from the position of Chief Executive Officer (CEO) with effect from August 19, 2019. As the remuneration drawn by him in his capacity as CEO is only for part of the year, and as such was not entitled for any increase in remuneration during FY 2019-20. Also, the ratio of remuneration to median remuneration is not comparable.

<sup>^</sup> The value of Long Term Incentive Plan (LTIP) considered represents incentive that will accrue at 100% performance level. For effective comparison, the LTIP component of their remuneration for Financial Year 2018-19 has also been considered at 100% performance level.

\* The remuneration includes special incentive paid in the Financial Year 2019-20.

§ Based on Annualized Remuneration.

- (ii) The percentage increase in the median remuneration of the employees of the Company for the financial year 2019-20

The median remuneration of the employees in the Financial Year 2019-20 was increased by 10.7%, as compared to the Financial Year 2018-19.

The Median Remuneration of Employees of the Company during the Financial Year 2019-20 was ₹ 10.65 Lacs.

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

There were 11,486 permanent employees on the rolls of Company as on March 31, 2020.

**(iv) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2019-20 and its comparison with the percentage increase in the managerial remuneration:**

The average increase in the remuneration of employees excluding KMPs during Financial Year 2019-20 was 9.57% and the average increase in the remuneration of Key Managerial Personnel was 41.8%.

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

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

## Annexure 'F' to the Directors' Report

### Secretarial Audit Report

For the Financial Year ended on 31<sup>ST</sup> March, 2020

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

To,  
The Members,  
Vodafone Idea Limited,  
(Formerly Known as Idea Cellular Limited)  
Suman Tower, Plot No. 18,  
Sector-11,  
Gandhinagar-382011

Sirs,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives in electronic form using the Information Technology Tools due to lockdown on account of COVID-19, during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit year covering the year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

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

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**; and



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September 2018); **(Not Applicable to the Company during the Audit Period)**
- (vi) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

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

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

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

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

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

We further report that,

*The Company is yet to appoint Small shareholders' director as given under section 151 of the Companies Act, 2013 read with Rule 7 of the Companies (Appointment and Qualification of Directors) Rules 2014, since the same is not mandatory.*

**We further report that:**

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

review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance *except in some instance* wherein the shorter notice was consented by the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the year under report, the Board of Directors of the Company on May 4, 2019, allotted 19,999,830,911 Equity Shares of face value of ₹ 10/- each to the eligible existing equity shareholders under Rights Issue at an issue price of ₹ 12.50 (including a premium of ₹ 2.50) per equity share, thereby raising funds aggregating to ₹ 249,998 Mn.

**We further report that** during the year under report, the Board of Directors on May 13, 2019 had approved amalgamation of Vodafone India Digital Limited (VIDL) and Idea Telesystems Limited (ITL) (both wholly owned subsidiaries) with the Company. The National Company Law Tribunal, Ahmedabad Bench vide its order dated 18 February, 2020 approved the said scheme of amalgamation. On filing of the said order with the Registrar of Companies on 1 March 2020, the scheme has become effective with an appointed date of 1 April 2019 and consequently VIDL and ITL have been amalgamated with the Company.

**Umesh Ved**  
**Umesh Ved & Associates**  
**Company Secretaries**  
**FCS No.: 4411**  
**C.P. No.: 2924**  
**UDIN:F004411B000396165**

Place: Ahmedabad  
 Date: June 30, 2020

**Note:** This report to be read with our letter of even date which is annexed to Annexure-1 and forms part of this report.

## Annexure 1 to the Secretarial Audit Report

To,  
**The Members,**  
**Vodafone Idea Limited,**  
(Formerly Known as Idea Cellular Limited)  
Suman Tower, Plot No. 18,  
Sector-11,  
Gandhinagar-382011

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

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

**Umesh Ved**  
**Umesh Ved & Associates**  
**Company Secretaries**  
**FCS No.: 4411**  
**C.P. No.: 2924**  
**UDIN:F004411B000396165**

Place: Ahmedabad  
Date: June 30, 2020

## Annexure 'G' to the Directors' Report

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I REGISTRATION AND OTHER DETAILS

CIN	L32100GJ1996PLC030976
Registration Date	March 14, 1995
Name of the Company	Vodafone Idea Limited
Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
Address of the Registered Office and contact details	Suman Tower, Plot No. 18, Sector-11, Gandhinagar, Gujarat- 382011 Tel : +91-79-66714000 Fax : +91-79-23232251 E-mail: shs@vodafoneidea.com
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	M/s. Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059 Tel: +91-22-62638200 E-mail: investor@bigshareonline.com

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business contributing 10% or more of the total turnover of the Company are given below:

Sr. No.	Name and Description of main products / services	NIC Code of the product/ service*	% to total turnover of the Company
1	Wireless Telecommunication services	612	99.44%

\* As per National Industrial Classification - Ministry of Statistics and Programme Implementation

## III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address	CIN / Registration No.	Holding / Subsidiary / Associate Company	% of Shares held	Applicable Section
1	Vodafone Idea Manpower Services Limited (earlier Idea Cellular Services Limited)	Suman Tower, Plot No. 18, Sector 11, Gandhinagar-382011	U74140GJ2007PLC051881	Subsidiary	100%	2(87)
2	Idea Telesystems Limited @	A-26/5, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi- 110044	U74899DL1983PLC016517	Subsidiary	100%	2(87)
3	Vodafone Idea Business Services Limited (earlier Vodafone Business Services Limited)	Vodafone House, Corporate Road Prahlad Nagar, Off: S.G. Highway, Ahmedabad - 380051	U74900GJ2009PLC058189	Subsidiary	100%	2(87)
4	Vodafone m-pesa Limited	Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400030	U67100MH2014PLC258108	Subsidiary	100%	2(87)
5	Vodafone Idea Communication Systems Limited (earlier Mobile Commerce Solutions Limited)	Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400030	U74900MH2008PLC183456	Subsidiary	100%	2(87)
6	Vodafone Foundation	Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400030	U65999MH2008NPL182612	Subsidiary	100%	2(87)
7	Vodafone Idea Technology Solutions Limited (earlier Vodafone Technology Solutions Limited)	Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400030	U72900MH2014PLC260105	Subsidiary	100%	2(87)
8	Vodafone Idea Telecom Infrastructure Limited (earlier Vodafone Towers Limited)	Vodafone House, Corporate Road Prahlad Nagar, Off: S.G. Highway, Ahmedabad - 380051	U64200GJ2007PLC106772	Subsidiary	100%	2(87)
9	Vodafone Idea Shared Services Limited (earlier Vodafone India Ventures Limited)	Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400030	U64204MH2016PLC287257	Subsidiary	100%	2(87)
10	Vodafone India Digital Limited @	Vodafone House, Corporate Road Prahlad Nagar, Off: S.G. Highway, Ahmedabad - 380051	U74999GJ2017PLC106724	Subsidiary	100%	2(87)
11	Connect India Mobile Technologies Private Limited	Skyline Ikon, 1st Floor, 86/92, Andheri Kurla Road, Marol Naka, Andheri (East), Mumbai - 400059	U32202MH1999PTC120818	Subsidiary	100%	2(87)
12	You Broadband India Limited	Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400030	U51909MH2000PLC139321	Subsidiary	100%	2(87)
13	You System Integration Private Limited	Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400030	U74900MH2008PTC186615	Subsidiary	100%	2(87)
14	Aditya Birla Idea Payments Bank Limited #	A4, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai - 400 030	U65923MH2016PLC273308	Associate Company	49%	2(6)
15	Firefly Networks Limited	A-19, Mohan Co-operative Industrial Estate Mathura Road New Delhi - 110044	U74999DL2014PLC264417	Joint Venture	50%	2(6)
16	Indus Towers Limited	Building No. 10, Tower-A, 4th Floor, DLF Cyber City, Gurugram - 122002	U92100DL2007PLC170574	Joint Venture	11.15%	2(6)

# Under Voluntary Winding-up

@ Ceased to be a subsidiary of the Company with effect from March 01, 2020



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year (As on 01-04-2019)				No. of Shares held at the end of the year (As on 31-03-2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>1 Indian</b>									
(a) Individual/HUF	233,333	-	233,333	0.00	864,906	-	864,906	0.00	0.00
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	2,318,611,285	-	2,318,611,285	26.54	5,309,181,750	-	5,309,181,750	18.48	-8.06
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>2,318,844,618</b>	<b>-</b>	<b>2,318,844,618</b>	<b>26.54</b>	<b>5,309,181,750</b>	<b>-</b>	<b>5,309,181,750</b>	<b>18.48</b>	<b>-8.06</b>
<b>2 Foreign</b>									
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other	3,911,835,558	-	3,911,835,558	44.78	15,393,871,426	-	15,393,871,426	53.57	8.79
<b>Sub-total (A)(2)</b>	<b>3,911,835,558</b>	<b>-</b>	<b>3,911,835,558</b>	<b>44.78</b>	<b>15,393,871,426</b>	<b>-</b>	<b>15,393,871,426</b>	<b>53.57</b>	<b>8.79</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>6,230,680,176</b>	<b>-</b>	<b>6,230,680,176</b>	<b>71.33</b>	<b>20,703,918,082</b>	<b>-</b>	<b>20,703,918,082</b>	<b>72.05</b>	<b>0.72</b>
<b>B. Public Shareholding</b>									
<b>1 Institutions</b>									
(a) Mutual Funds	267,777,645	-	267,777,645	3.07	1,299,489,764	-	1,299,489,764	4.52	1.45
(b) Banks/FI	3,222,661	-	3,222,661	0.04	38,560,975	-	38,560,975	0.13	0.09
(c) Central Government	-	-	-	-	-	-	-	-	-
(d) State Government	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	119,045,349	-	119,045,349	1.36	385,061,786	-	385,061,786	1.34	-0.02
(g) FIs	1,147,349,360	-	1,147,349,360	13.13	2,533,265,802	-	2,533,265,802	8.82	-4.31
(h) Alternate Investment Funds	-	-	-	-	5,380,974	-	5,380,974	0.02	0.02
(i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>1,537,395,015</b>	<b>-</b>	<b>1,537,395,015</b>	<b>17.60</b>	<b>4,261,759,301</b>	<b>-</b>	<b>4,261,759,301</b>	<b>14.83</b>	<b>-2.77</b>
<b>2 Non-Institutions</b>									
(a) Bodies Corporate									
i) Indian	20,750,453	-	20,750,453	0.24	327,019,169	-	327,019,169	1.14	0.90
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	121,009,808	2692	121,012,500	1.39	1,051,906,983	4,895	1,051,911,878	3.66	2.27
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	48,002,166	-	48,002,166	0.55	1,959,078,678	-	1,959,078,678	6.82	6.27

Category of shareholders	No. of Shares held at the beginning of the year (As on 01-04-2019)				No. of Shares held at the end of the year (As on 31-03-2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
c) Others									
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Foreign Companies	712,000,543	-	712,000,543	8.15	-	-	-	-	-8.15
Non-Resident Indians	4,916,844	5,000	4,921,844	0.06	79,791,911	5,000	79,796,911	0.28	0.22
Trust	572,758	-	572,758	0.01	595,087	-	595,087	0.00	0.00
Clearing Members	59,376,636	-	59,376,636	0.68	274,385,396	-	274,385,396	0.95	0.27
HUF	9,628	-	9,628	0.00	74,169,519	-	74,169,519	0.26	0.26
Director	836,610	-	836,610	0.01	2,755,219	-	2,755,219	0.01	0.00
<b>Sub-total (B)(2)</b>	<b>967,475,446</b>	<b>7,692</b>	<b>967,483,138</b>	<b>11.08</b>	<b>3,769,701,962</b>	<b>9,895</b>	<b>3,769,711,857</b>	<b>13.12</b>	<b>2.04</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2,504,870,461</b>	<b>7,692</b>	<b>2,504,878,153</b>	<b>28.67</b>	<b>8,031,461,263</b>	<b>9,895</b>	<b>8,031,471,158</b>	<b>27.95</b>	<b>-0.72</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>8,735,550,637</b>	<b>7,692</b>	<b>8,735,558,329</b>	<b>100.00</b>	<b>28,735,379,345</b>	<b>9,895</b>	<b>28,735,389,240</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year <sup>(#)</sup>
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Birla TMT Holdings Pvt. Ltd.	353,798,538	4.05%	-	353,798,538	1.23%	-	-2.82%
2	Hindalco Industries Limited	228,340,226	2.61%	-	751,119,164	2.61%	-	0.00%
3	Grasim Industries Limited	1,008,540,115	11.55%	-	3,317,566,167	11.55%	-	0.00%
4	Pilani Investment and Industries Corporation Ltd.	8,168,500	0.09%	-	109,028,530	0.38%	-	0.29%
5	Mr. Kumar Mangalam Birla	233,333	0.00%	-	864,906	0.00%	-	0.00%
6	Oriana Investments Pte. Ltd.	163,200,000	1.87%	-	2,147,307,225	7.47%	-	5.60%
7	Elaine Investments Pte. Ltd.	163,200,000	1.87%	-	861,128,643	3.00%	-	1.13%
8	IGH Holdings Private Limited	349,623,009	4.00%	-	407,528,454	1.42%	-	-2.58%
9	Omega Telecom Holdings Private Limited	76,687,227	0.88%	-	76,687,227	0.27%	-	-0.61%
10	Jaykay Finholding (India) Private Limited	7,592,136	0.09%	-	7,592,136	0.03%	-	-0.06%
11	Usha Martin Telematics Limited	91,123,113	1.04%	-	91,123,113	0.32%	-	-0.73%
12	Telecom Investments India Private Limited	194,738,421	2.23%	-	194,738,421	0.68%	-	-1.55%
13	Euro Pacific Securities Ltd	792,754,922	9.08%	-	3,198,986,106	11.13%	-	2.06%
14	Vodafone Telecommunications (India) Limited	493,851,584	5.65%	-	1,624,511,788	5.65%	-	0.00%
15	CCII (Mauritius) Inc	135,602,165	1.55%	-	446,059,752	1.55%	-	0.00%
16	Trans Crystal Ltd	444,187,567	5.08%	-	1,461,143,311	5.08%	-	0.00%
17	Mobilvest	509,502,318	5.83%	-	1,675,994,466	5.83%	-	0.00%
18	Asian Telecommunications Investments (Mauritius) Limited	298,062,840	3.41%	-	980,469,868	3.41%	-	0.00%
19	Al-Amin Investments Ltd	247,074,233	2.83%	-	812,744,186	2.83%	-	0.00%
20	Prime Metals Limited	664,399,929	7.61%	-	2,185,526,081	7.61%	-	0.00%
	<b>Total</b>	<b>6,230,680,176</b>	<b>71.33%</b>	<b>-</b>	<b>20,703,918,082</b>	<b>72.05%</b>	<b>-</b>	<b>0.72%</b>

Note: Shares were issued on rights basis on May 04, 2019 and thus there is a difference in Total Shareholding at the beginning and at the end of the year.

## iii) Change in Promoters' shareholding

Sr. No.	Name of Promoter	Shareholding at the beginning of the year		Date	Increase / Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of year					
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company				
1	Hindalco Industries Limited	228,340,226	2.61%	April 1, 2019	522,778,938	Rights Issue	751,119,164	2.61				
				May 4, 2019								
				March 31, 2020								
2	IGH Holdings Private Limited	349,623,009	4.00%	April 1, 2019								
				July 30, 2019					22,768,945	Market Purchase	372,391,954	1.30
				July 31, 2019					3,836,500	Market Purchase	376,228,454	1.31
				August 1, 2019					9,000,000	Market Purchase	385,228,454	1.34
				August 2, 2019					3,500,000	Market Purchase	388,728,454	1.35
				August 5, 2019					5,000,000	Market Purchase	393,728,454	1.37
				August 6, 2019					400,000	Market Purchase	394,128,454	1.37
				August 7, 2019					2,000,000	Market Purchase	396,128,454	1.38
				August 13, 2019					1,000,000	Market Purchase	397,128,454	1.38
				August 20, 2019					2,000,000	Market Purchase	399,128,454	1.39
				August 21, 2019					1,000,000	Market Purchase	400,128,454	1.39
				August 22, 2019					900,000	Market Purchase	401,028,454	1.40
				August 28, 2019					3,000,000	Market Purchase	404,028,454	1.41
				August 29, 2019					2,000,000	Market Purchase	406,028,454	1.41
				August 30, 2019					1,000,000	Market Purchase	407,028,454	1.42
				September 4, 2019					500,000	Market Purchase	407,528,454	1.42
				March 31, 2020							407,528,454	1.42
3	Grasim Industries Limited	1,008,540,115	11.55%	April 1, 2019	2,309,026,052	Rights Issue	3,317,566,167	11.55				
				May 4, 2019								
				March 31, 2020								
4	Pilani Investment and Industries Corporation Ltd.	8,168,500	0.09%	April 1, 2019								
				May 4, 2019					22,110,030	Rights Issue	30,278,530	0.11
				July 30, 2019					35,000,000	Market Purchase	65,278,530	0.23
				July 31, 2019					5,050,000	Market Purchase	70,328,530	0.24
				August 1, 2019					12,000,000	Market Purchase	82,328,530	0.29
				August 2, 2019					7,900,000	Market Purchase	90,228,530	0.31
				August 5, 2019					4,500,000	Market Purchase	94,728,530	0.33
				August 6, 2019					1,500,000	Market Purchase	96,228,530	0.33
				August 7, 2019					4,200,000	Market Purchase	100,428,530	0.35
				August 13, 2019					1,000,000	Market Purchase	101,428,530	0.35
				August 22, 2019					2,500,000	Market Purchase	103,928,530	0.36
				August 28, 2019					3,600,000	Market Purchase	107,528,530	0.37
				August 29, 2019					1,500,000	Market Purchase	109,028,530	0.38
				March 31, 2020							109,028,530	0.38
5	Oriana Investments Pte. Ltd.	163,200,000	1.87%	April 1, 2019	1,984,107,225	Rights Issue	2,147,307,225	7.47				
				May 4, 2019								
				March 31, 2020								
6	Elaine Investments Pte. Ltd.	163,200,000	1.87%	April 1, 2019	697,928,643	Rights Issue	861,128,643	3.00				
				May 4, 2019								
				March 31, 2020								
7	Vodafone Telecommunications (India) Limited	493,851,584	5.65%	April 1, 2019	1,130,660,204	Rights Issue	1,624,511,788	5.65				
				May 4, 2019								
				March 31, 2020								
8	CCII (Mauritius) Inc	135,602,165	1.55%	April 1, 2019	310,457,587	Rights Issue	446,059,752	1.55				
				May 4, 2019								
				March 31, 2020								

Sr. No.	Name of Promoter	Shareholding at the beginning of the year		Date	Increase / Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
9	Trans Crystal Ltd	444,187,567	5.08%	April 1, 2019 May 4, 2019 March 31, 2020	1,016,955,744	Rights Issue	1,461,143,311	5.08
10	Mobilvest	509,502,318	5.83%	April 1, 2019 May 4, 2019 March 31, 2020	1,166,492,148	Rights Issue	1,675,994,466	5.83
11	Prime Metals Ltd	664,399,929	7.61%	April 1, 2019 May 4, 2019 March 31, 2020	1,521,126,152	Rights Issue	2,185,526,081	7.61
12	Al-Amin Investments Ltd	247,074,233	2.83%	April 1, 2019 May 4, 2019 March 31, 2020	565,669,953	Rights Issue	812,744,186	2.83
13	Asian Telecommunications Investments (Mauritius) Limited	298,062,840	3.41%	April 1, 2019 May 4, 2019 March 31, 2020	682,407,028	Rights Issue	980,469,868	3.41
14	Euro Pacific Securities Ltd	792,754,922	9.08%	April 1, 2019 May 4, 2019 March 31, 2020	2,406,231,184	Rights Issue	3,198,986,106	11.13
15	Mr. Kumar Mangalam Birla	233,333	0.00%	April 1, 2019 May 4, 2019 March 31, 2020	631,573	Rights Issue	864,906	0.00

**Note:**  
The Equity Shares have been allotted pursuant to allotment of shares under Rights Issue. Some of the Promoters had renounced their Rights Entitlement in favor of other Promoters. Further, few promoter entities had also applied for additional shares, which were allotted pursuant to the basis of allotment approved by the Stock Exchanges

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Change in shareholding (No. of shares)		Shareholding at the end of year	
		No. of shares	% of total shares of the Company	Bought during the year	Sold during the year	No. of shares	% of total shares of the Company
1	Axiata Investments 1 (India) Limited	464,734,670	5.32	-	464,734,670	-	0.00
2	Axiata Investments 2 (India) Limited	247,265,873	2.83	-	247,265,873	-	0.00
3	ICICI Prudential Life Insurance Company Ltd	74,348,370	0.85	521,234,105	288,733,378	306,849,097	1.07
4	Franklin Templeton Mutual Fund A/C Franklin India Focused Equity Fund	-	0.00	448,059,039	132,272,308	315,786,731	1.10
5	Morgan Stanley Asia (Singapore) PTE. - ODI	247,265,873	2.83	-	247,265,873	-	0.00
6	First State Investments ICVC- Stewart Investors Global Emerging Markets Leaders Fund	67,450,481	0.77	-	67,450,481	-	0.00
7	HSBC Pooled Investment Fund - HSBC Pooled Asia Pacific Ex Japan Equity Fund	54,729,230	0.63	299,979,158	194,727,370	159,981,018	0.56
8	The Marathon - London International Fund of the Marathon - London Group Trust for Employee Benefit Plans	30,472,424	0.35	79,821,165	15,667,594	94,625,995	0.33
9	Franklin Templeton Investment Fund	96,144,530	1.10	275,120,371	371,264,901	-	0.00
10	Vanguard Total International Stock Index Fund	39,518,257	0.45	105,772,682	4,508,035	140,782,904	0.49
11	Stewart Investors Global Emerging Markets Leaders Fund	39,236,835	0.45	89,831,701	129,068,536	-	0.00
12	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity	36,110,030	0.41	92,232,525	7,974,988	120,367,567	0.42
13	HSBC Global Investment Funds - Indian Equity	25,732,481	0.29	34,084,160	-	59,816,641	0.21
14	Franklin India Blue Chip Fund	30,000,000	0.34	170,000,000	-	200,000,000	0.70
15	ICICI Prudential Multi - Asset Fund	23,000,000	0.26	63,688,087	-	86,688,087	0.30
16	Government Pension Fund Global	15,917,719	0.18	178,678,346	85,896,966	108,699,099	0.38

**Note:**  
The above information is based on the weekly beneficiary position received from Depositories. As it is not feasible to provide daily change in shareholding, therefore consolidated changes during the financial year 2019-20 has been provided.

## v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase / Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
<b>A. Directors</b>								
1	Mr. Kumar Mangalam Birla	233,333	0.00	April 1, 2019	631,573	Rights Issue	864,906	0.00
				May 4, 2019				
				March 31, 2020				
2	Mr. Arun Thiagarajan	7,700	0.00	April 1, 2019	20,842	Rights Issue	28,542	0.00
				May 4, 2019				
				March 31, 2020				
3	Mr. D Bhattacharya	6,202	0.00	April 1, 2019	14,199	Rights Issue	20,401	0.00
				May 4, 2019				
				March 31, 2020				
4	Mr. Himanshu Kapania	822,708	0.01	April 1, 2019	1,883,568	Rights Issue	2,706,276	0.01
				May 4, 2019				
				March 31, 2020				
<b>B. Key Managerial Personnel</b>								
1	Mr. Balesh Sharma ^	1,000	0.00	April 1, 2019	1,002,289	Rights Issue	1,003,289	0.00
				May 4, 2019				
				August 19, 2019				
2	Mr. Akshaya Moondra	262,444	0.00	April 1, 2019	600,858	Rights Issue	863,302	0.00
				May 4, 2019				
				March 31, 2020				
3	Mr. Pankaj Kapdeo	69,452	0.00	April 1, 2019	145,000	Rights Issue	214,452	0.00
				May 4, 2019				
				March 31, 2020				

**Note:**

^ Mr. Balesh Sharma resigned as the CEO of the Company with effect from August 19, 2019.



## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
₹ Mn				
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	124,592	1,134,807	-	1,259,399
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	852	63,298	-	64,150
<b>Total (i+ii+iii)</b>	<b>125,444</b>	<b>1,198,105</b>	<b>-</b>	<b>1,323,549</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	8,659	151,280	-	159,939
Reduction	45,715	225,513	-	271,228
<b>Net Change</b>	<b>(37,056)</b>	<b>(74,233)</b>	<b>-</b>	<b>(111,289)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	87,452	1,063,723	-	1,151,175
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	936	60,149	-	61,085
<b>Total (i+ii+iii)</b>	<b>88,388</b>	<b>1,123,872</b>	<b>-</b>	<b>1,212,260</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Mr. Ravinder Takkar (MD & CEO) (With effect from August 19, 2019)
1	Gross Salary	
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961	-
c.	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
-	as % of profit	-
-	other, specify	-
5	Others (Retiral Benefits)	-
	<b>Total (A)</b>	<b>-</b>
	Ceiling as per the Act <sup>@@</sup>	145

#### Notes:

(i) Mr. Ravinder Takkar was appointed as Managing Director and Chief Executive Officer of the Company w.e.f. August 19, 2019 in place of Mr. Balesh Sharma who resigned on even date. Mr. Ravinder Takkar does not draw any remuneration from the Company.

@@ Based on Effective Capital as per Schedule V of the Companies Act, 2013.

## B. Remuneration to Non-Executive Directors including Independent Directors

₹ Mn

Name of Director	Fee for attending Board/ committee meetings	Commission	Total Amount
<b>Independent Directors</b>			
Mr. Arun Thiagarajan	1.45	-	1.45
Mr. Ashwani Windlass	1.90	-	1.90
Mr. Arun Adhikari	1.50	-	1.50
Ms. Neena Gupta	1.50	-	1.50
Mr. Krishnan Ramachandran	1.65	-	1.65
Mr. Suresh Vaswani	1.85	-	1.85
<b>Total (B1)</b>	<b>9.85</b>	<b>-</b>	<b>9.85</b>
<b>Non-Executive Directors</b>			
Mr. Kumar Mangalam Birla	-	-	-
Mr. D. Bhattacharya	-	-	-
Mr. Himanshu Kapania	-	-	-
Mr. Thomas Reisten	-	-	-
Mr. Vivek Badrinath	-	-	-
<b>Total (B2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total B = (B1) + (B2)</b>	<b>9.85</b>	<b>-</b>	<b>9.85</b>
<b>Total Managerial Remuneration (A + B)</b>	<b>9.85</b>		
<b>Total ceiling as per the act</b>	<b>Sitting Fees paid is within the limits specified under the Companies Act, 2013</b>		

## Note:

Sitting fees are paid only to Independent Directors of the Company

## C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Directors / Manager:

₹ Mn

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Balesh Sharma Chief Executive Officer (Upto August 19, 2019)	Mr. Akshaya Moondra Chief Financial Officer	Mr. Pankaj Kapdeo Company Secretary	
1	Gross Salary				
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	72.38	50.90	16.39	139.66
	b. Value of perquisites u/s 17(2) of Income Tax Act, 1961	1.17	0.42	0.04	1.64
	c. Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-	-
2	Stock Options	11.46	-	-	11.46
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- other, specify	-	-	-	-
5	Others (Retiral Benefits)	0.90	1.09	0.61	2.61
	<b>Total</b>	<b>85.91</b>	<b>52.42</b>	<b>17.04</b>	<b>155.37</b>

## VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

## Annexure 'H' to the Directors' Report

### Dividend Distribution Policy

#### 1.0 Introduction

1.1 As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Vodafone Idea Limited (the "Company") is required to formulate and disclose a dividend distribution policy. Accordingly, the Board of Directors of the Company (the "Board") has approved this Dividend Distribution Policy (the "Policy").

1.2 The objective of this Policy is to provide clarity to stakeholders on the circumstances in which shareholders of the Company may or may not expect dividend, and specify the factors that will be taken into account while declaring dividend. The Board shall recommend dividend in compliance with this Policy, the provisions of the Companies Act, 2013 and the rules thereunder and other applicable law.

#### 2.0 Target Dividend Payout

2.1 Subject to applicable law, the Board shall declare or recommend dividend as follows:

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

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

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

#### 3.0 Factors to be considered for dividend payout

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

- Leverage profile and capital adequacy metrics
- Stability of earnings
- Cash flow position from operations
- Future capital expenditure, inorganic growth plans and reinvestment opportunities
- Industry outlook and stage of business cycle for underlying businesses
- Overall economic / regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other factor as deemed fit by the Board

#### 4.0 Parameters with regard to various classes of shares

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

#### 5.0 Retained Earnings

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

#### 6.0 Review

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

## 7.0 Disclosure

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

## 8.0 Definitions

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

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

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

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

- (a) moneys borrowed;
- (b) Deferred Payment Obligation for Spectrum;
- (c) accrued interest payable;
- (d) any interest bearing amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
- (e) any amount raised pursuant to any note purchase

facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

- (f) the amount of any liability in respect of any finance lease;
- (g) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (h) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing under Ind AS;
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and
- (j) shares which are expressed to be redeemable or shares or instruments convertible into shares (other than compulsorily convertible instruments), provided in each case that there shall be no double-counting of any indebtedness;

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

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

8.6 "Free Cash Flow" means, in respect of any accounting period, EBITDA less net interest and other net financial expenses, less tax payments, less net change in working capital, less tangible capital expenditure, less intangible capital expenditure, plus net proceeds from asset sales but, for the avoidance of doubt, before net proceeds from borrowings, in all cases as determined in accordance with the accounting policies of the Company and by reference to the Financial Statements;

8.7 "Integration Costs" means costs incurred on or after 31 August 2018 in connection with the combination of the Company and Vodafone India Limited, which would not have been incurred otherwise;

8.8 "Leverage Ratio" means, at any time, the ratio of the Net Financial Debt to LTM EBITDA, each of which shall

have been determined with reference to the same time;

8.9 "LTM EBITDA" means, at any time, the EBITDA (by reference to the Financial Statements) for the 12 (twelve) months up to the end of the most recent calendar quarter ended 31 March, 30 June, 30 September or 31 December. Where LTM EBITDA requires EBITDA to be determined for periods prior to 31 August 2018, EBITDA for these periods shall be taken from the Financial Statements and the Vodafone Financial Statements and aggregated;

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

(a) deducting the aggregate amount of cash and cash equivalent investments held by the Company at that time; and

(b) deducting the aggregate amount of interest receivable by the Company at that time, and so that no amount shall be included or excluded more than once.

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

## 9.0 General

Any questions or clarifications relating to this Policy should be addressed to the Company Secretary at [pankaj.kapdeo@vodafoneidea.com](mailto:pankaj.kapdeo@vodafoneidea.com).



# Management Discussion and Analysis Report

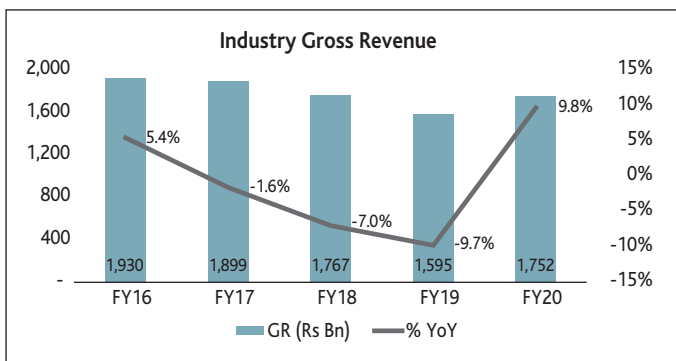
## Indian Wireless Sector

The Indian wireless industry had an eventful and challenging year with continued hyper competition and a significant regulatory setback in the form of adverse verdict on the long pending industry issue of Adjusted Gross Revenue (AGR), further adding to the financial woes of the operators. In the second half of the financial year, we also witnessed first round of pre-paid tariff hike by all operators, after several years of price decline.

Following the launch of the new 4G operator in 2016, all the operators have been selling heavily discounted unlimited voice plans with bundled data, in order to defend their subscriber base. This had led to significant ARPU erosion over the last few years, leading to financial distress for the operators and shrinking the overall Gross Revenue of the industry by 17.4% between FY16 and FY19 (Adjusted Gross Revenue declined by ~33%). The increasing penetration of unlimited bundled plans has however led to exponential rise in data volume driven by ever-increasing content consumption, primarily video. This is driving customer migration from voice only plans to bundled voice and data plans.

After several years of hyper competition which led to tariff decline, in FY20, all the operators increased pre-paid tariffs at the start of December 2019 across all price points for both unlimited plans as well as combo voucher plans. The pricing action coupled with increasing migration to Unlimited/ 4G plans has led to improvement in ARPU, resulting in revenue growth after a sustained period of losses. While the tariff hike is a step in the right direction, ARPU recovery still has a long way to go and the industry continues to operate at unsustainable below cost offerings.

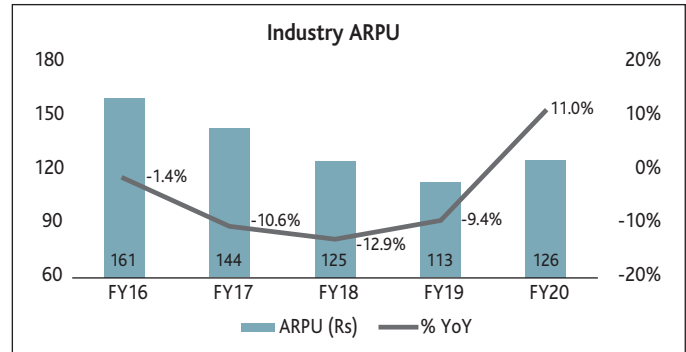
The Wireless Gross Revenue (excluding BSNL and Tata Wireline) for FY20 has increased by ₹ 157 Bn, a growth of 9.8% compared to FY19.



Source: TRAI

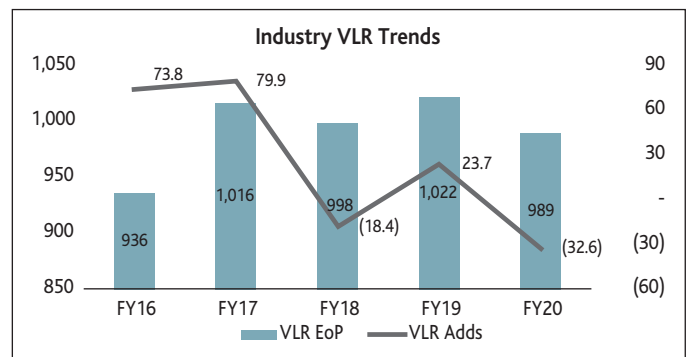
While the industry has seen some improvement in the revenue during this financial year, the gross revenue is still 9.2% lower compared to FY16, as tariffs continue to be unsustainably low. Compared to FY16, ARPUs are still 21.6% lower as of FY20. This

is despite the fact that the consumer gets much more value in terms of unlimited voice and daily data allowances, compared to five years ago.



Note: ARPU is calculated by dividing Wireless Gross revenue by Average subscribers as reported by TRAI

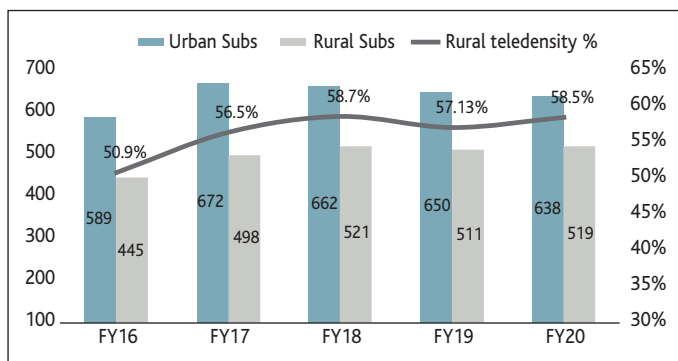
While the telecom industry continues to face several challenges, the industry has now consolidated to an optimal structure among three large private i.e. Vodafone Idea, Bharti Airtel and Jio, and one government operator i.e. BSNL/MTNL, compared to 8 - 10 operators earlier. Further, the launch of unlimited bundled plans drove SIM consolidation as consumers who earlier used to split the usage on multiple SIMs are now trending towards committing their usage to a single SIM. The recent tariff hike has further forced the 'incoming-only' or 'minimal ARPU' customers on multiple networks to consolidate their spending from multiple to single SIM. As expected, this has led to decline in customers at the industry level. During FY20, overall active subscriber base has consolidated by 32.6 Mn as of March 2020, driven by increasing penetration of unlimited bundled plans and the tariff hike effective December 2019.



Source: TRAI

The overall tele-density for India as of March, 2020 stood at 85.87% suggesting there is still a proportion of population, yet to start using mobility services. This holds true especially for rural areas where tele-density is still low at 58.5%. If we consider the active subscriber base of 989.1 Mn (March 2020), the penetration is still around 73.4% indicating a large population

base which is yet to adopt mobile telephony services, a clear long term opportunity for the mobile operators.

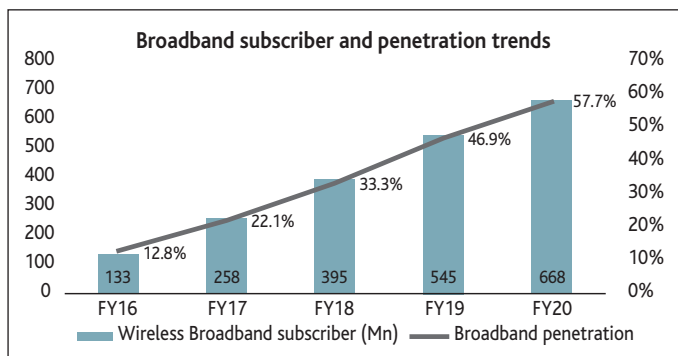


Source: TRAI

The low rural subscriber penetration augurs well for the expected robust subscriber growth in future.

While the operational challenges continue, the consolidation of telecom industry presents several opportunities for surviving operators as and when prices revive to levels in line with costs. India’s young population, rapid urbanization and growing middleclass ensure a growing subscriber base in the target demography. It is estimated that 93.3% of India’s population is estimated to be aged under 65 years, with 26.3% aged under 15 years (Source: CIA World Factbook Website - 2020 estimate). India’s growing young population is driving growth in social media usage and content consumption through various streaming apps, both video and audio, and the demand for high speed internet is growing by leaps and bounds.

Due to lack of adequate infrastructure, the growth of wired internet has been restricted to major cities and as a result, wireless remains the preferred means of connecting to the internet. As the operators continue to expand their coverage and capacity and the 4G services being offered by all the operators remain extremely affordable despite the recent tariff hike, India witnessed an impressive growth in wireless broadband subscriber (>512 kbps), up from 133 Mn in March 2016 to 668 Mn in March 2020, an addition of 535 Mn subscribers, with more than half of these subscribers added during last two years.



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

Despite such a strong broadband subscriber addition, there is still a large headroom for wireless broadband penetration (as a percentage of overall subscriber base) to improve, as it still remains low at 57.7% as of March 2020. The growth in social media usage, rapidly increasing content consumption and many organizations gradually transitioning to ‘Work from Home’ will continue to drive demand for data. Any increase in prices by operators or by the regulators through the much needed introduction of floor pricing will have a significant positive impact on revenue and profitability of the industry.

The telecom operators are not just offering voice and data services, but also a suite of digital service applications, own as well as through partnerships, and are thus transitioning from being pure telecom service providers to integrated digital service providers offering entertainment, information, cloud and storage services. This will in turn open several new revenue streams for the operators in the long run.

This year, on October 24, 2019, the Hon’ble Supreme Court delivered its judgment on the issue relating to the definition of Adjusted Gross Revenue (AGR Judgment). The order upheld the principal demands, levy of interest, penalty and interest on penalty. The Hon’ble Supreme Court in its supplementary order had directed the Telecom Service Providers (TSPs) to make the payments of the dues within 3 months from the date of the judgement. Subsequently, TSPs and the DoT moved applications seeking modification of the supplementary order of the Hon’ble Supreme Court. In its modification application, DoT proposed the mode of recovery of AGR dues for the consideration of the Hon’ble Supreme Court and submitted a statement of preliminary assessed dues from various TSPs, which for your Company, aggregated to ₹ 582.5 Bn up to FY 2016-17. On July 20, 2020 vide its order on the modification applications filed by the TSPs and the DoT, the Hon’ble Supreme Court confirmed the aforesaid preliminary assessed dues submitted by the DoT. On the aspects of the time frame for the mode of recovery of the AGR dues and how to secure the dues, the Hon’ble Supreme Court has reserved its order.

The pandemic COVID-19 and the subsequent nationwide lockdown had a major impact across the entire economic ecosystem globally. The industry has gone above and beyond to help the consumers during these challenging times in spite of the fact that operators continue to be under severe financial burden. All the telecom operators not just ensured seamless continuity of services, but also provided free validity extension and free talktime to those who are most affected, thus contributing towards the social responsibility of the business.

We hope government takes cognizance of the criticality of the sector, provides interim support by way of implementation of floor pricing and reduces the several regulatory levies. This is essential to address the structural issues faced by the sector, and enable operators to generate returns on their investments thereby improving the overall health of the industry.

**Discussion on Vodafone Idea’s Operational Performance**

**Mobile Business overview**

Vodafone India had merged into your Company, Idea Cellular Limited (ICL) on August 31, 2018. Consequently, the name of your Company was changed from ICL to Vodafone Idea Limited. Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. Your Company is one of the leading telecommunications operator in India offering voice, data, enterprise and other Value Added Services (“VAS”), including short messaging services and digital services. With its large spectrum portfolio to support the growing demand for data and voice, your Company is committed to deliver delightful customer experiences and contribute towards creating a truly 'Digital India' by enabling millions of citizens to connect and build a better tomorrow.

**1. Voice Services:**

Your Company offers Voice services coverage in all 22 service areas on the Vodafone and Idea brands. The 2G coverage of your Company now spans across 487,000 census towns and villages and provides coverage to more than 1.2 billion Indians with its Voice services. Your Company also provides 4G VoLTE across all 22 circles to provide enhanced voice experience to its 4G subscribers.

**2. Broadband Services:**

Your Company provides broadband data services in all the 22 service areas of India across both the brands – Vodafone and Idea. Your Company’s broadband coverage is available in over 325,000 census towns and villages, covering more than a billion of the Indian population. The 4G population coverage stands at 992 Mn as of March 31, 2020. Your Company continues to focus on aggressive expansion of 4G network.

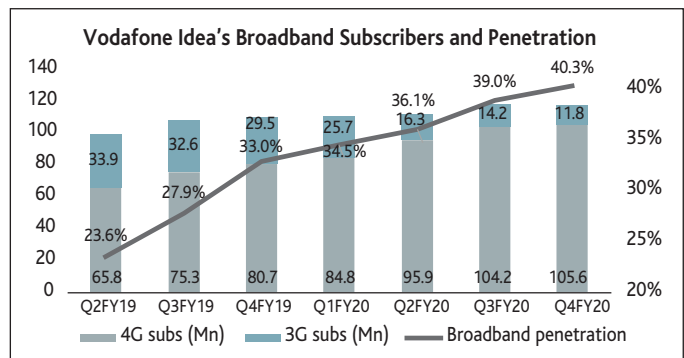
The following table reflects the traction in key data metrics over the year:

Description	Unit	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Total Data Subscribers (2G+3G+4G)	Mn	146.3	143.3	140.3	142.0	139.5
Broadband Subscribers (3G+4G)	Mn	110.2	110.5	112.2	118.4	117.4
4G Subscribers*	Mn	80.7	84.8	95.9	104.2	105.6
Monthly Data Usage by Broadband Subscriber (3G+4G)	MB	8,815	9,657	10,350	10,700	11,462
Total Data Volume (2G+3G+4G)	Bn MB	2,947	3,222	3,492	3,790	4,090
Broadband Population Coverage	Mn	922	943	993	998	1,010

Description	Unit	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
4G Population Coverage	Mn	871	916	962	974	992

\* includes VoLTE subscribers from Q2FY20 onwards, thus not comparable to earlier quarters.

With Pan India broadband presence, increased coverage following merger, your Company has seen a steady rise in broadband subscriber penetration (as a percentage of reported subscribers) increasing from 23.6% in Q2FY19 to 40.3% in Q4FY20 and 4G penetration increasing from 15.6% to 36.3% in the same period. As your Company continues to focus on aggressive 4G network expansion, 4G subscriber penetration should further improve in the coming years.



\*4G subscribers includes VoLTE subscribers from Q2FY20 onwards, thus not comparable to earlier quarters.

**3. Content Services:**

To provide best in class content to its customers through the applications Vodafone Play and Ideas Movies & TV, your Company has tied up with various content creators and OTT apps like Sony Liv, Zee5, Sun NXT, Shemaroo Me, Hoichoi, Lionsgate Play, Hungama, TV Today, Discovery and others. Both these apps provide a range of content including Movies, Live TV, TV shows, latest originals and short formats in 16+ languages. Additionally, your Company has tie ups with several leading content providers like Amazon Prime and Netflix for its premium customers.

**4. Other VAS Offerings:**

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

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

### Long Distance Services and ISP

Your Company holds licenses for NLD, ILD, ISP and IP-1 services. Vodafone Idea NLD carries almost all of its captive NLD minutes. Your Company ILD services now handle almost 100% of captive ILD outgoing minutes, besides bringing incoming minutes traffic from top international carriers across the globe. Your Company also offers ISP services to external customers like small ISP and enterprise customers for their wholesale internet backhaul needs. Vodafone Idea ISP currently handles all captive subscriber traffic requirements.

### Enterprise Services

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

### Passive Infrastructure Services

#### Indus Towers

Indus Towers Ltd. (Indus), a joint venture between Bharti Infratel

Ltd., Vodafone Group and Vodafone Idea Limited, is one of the world's leading tower company with 126,949 towers and a tenancy ratio of 1.85 as of March 31, 2020. Vodafone Idea owns 11.15% stake in Indus. The proportionate profit/ loss of Indus is presently consolidated at the PAT level in Vodafone Idea's financial statements.

On April 25, 2018, the merger of Bharti Infratel and Indus Towers was announced which will create a listed Pan-India tower company. The merger has received the long awaited regulatory approval from the Department of Telecommunications on February 21, 2020, and thus has received all the required approvals. The long stop date on the original agreement has been extended to August 31, 2020. Vodafone Idea has the option to monetize its 11.15% stake in Indus on completion of the Indus-Infratel merger.

### Competitive strengths

#### 1. Competitive Spectrum Profile

Following merger of Vodafone India and Idea Cellular, your Company has the largest spectrum portfolio in India comprising 1,846 MHz spectrum across 22 circles of which 1,723.6 MHz is liberalised and can be used towards deployment of any technology. Further, 1,316.8 MHz of spectrum acquired through auction between year 2014 and 2016, has validity until 2034 to 2036. This large spectrum portfolio across 22 circles allows your Company to create enormous broadband capacity. Below table provides the spectrum held by your Company across all service areas:

Circle	Administrative Spectrum		Liberalised Spectrum					Total FDDx2+TDD
	900	1800	900	1800	2100	2300	2500	
Andhra Pradesh	-	-	5.0	11.0	5.0	-	10.0	52.0
Assam	-	-	-	25.0	5.0	-	20.0	80.0
Bihar	-	4.4	-	13.4	5.0	-	10.0	55.6
Delhi	-	8.0	10.0	10.6	5.0	-	20.0	87.2
Gujarat	-	-	11.0	20.8	10.0	-	30.0	113.6
Haryana	-	-	12.2	15.8	15.0	-	20.0	106.0
Himachal Pradesh	-	4.4	-	11.2	5.0	-	10.0	51.2
Jammu & Kashmir	-	-	-	17.0	5.0	-	10.0	54.0
Karnataka	-	8.0	5.0	11.0	5.0	-	-	58.0
Kerala	-	-	12.4	20.0	10.0	10.0	20.0	114.8
Kolkata	-	-	7.0	15.0	10.0	-	20.0	84.0
Madhya Pradesh	-	-	7.4	18.6	5.0	10.0	20.0	92.0
Maharashtra	-	-	14.0	12.4	15.0	10.0	30.0	122.8
Mumbai	-	4.4	11.0	10.2	10.0	-	20.0	91.2
North East	-	-	-	25.8	5.0	-	20.0	81.6
Odisha	-	-	5.0	17.0	5.0	-	20.0	74.0
Punjab	-	6.2	5.6	15.0	10.0	-	10.0	83.6
Rajasthan	-	6.2	6.4	10.0	15.0	-	20.0	95.2
Tamil Nadu	6.2	1.0	-	11.4	15.0	-	-	67.2
Uttar Pradesh (East)	-	6.2	5.6	8.6	20.0	-	20.0	100.8
Uttar Pradesh (West)	6.2	-	5.0	14.4	10.0	-	20.0	91.2
West Bengal	-	-	6.6	23.4	5.0	-	20.0	90.0
<b>Total</b>	<b>12.4</b>	<b>48.8</b>	<b>129.2</b>	<b>337.6</b>	<b>195.0</b>	<b>30.0</b>	<b>370.0</b>	<b>1,846.0</b>



## 2. Extensive Network Infrastructure and Coverage



Following merger of Vodafone and Idea and the subsequent aggressive rollout, your Company has a strong network footprint across the country which enables us to offer comprehensive consumer offerings as well as have substantial capacity spectrum to address the growing data demand. Your Company has large network assets in the form of 2G, 3G, 4G equipment and country wide Optical Fibre Cable (OFC). Your Company has over 185,000 unique towers across 487,000 census towns and villages covering more than a billion of Indian population. Your Company has around 436,000 broadband (3G+4G) sites across 325,000 census towns and villages. Your Company's broadband coverage stands at over a billion Indian population with presence in 162,380 unique broadband locations as of March 31, 2020. The 4G population coverage stands at 992 Mn as of March 31, 2020. Your Company has a combined portfolio of ~361,000 km of OFC including own built and Indefeasible Right of Use (IRU) OFC. Your Company also has Pan-India Voice over LTE (VoLTE) services.

The incremental 4G rollout coupled with redeployment of co-located broadband sites has enabled your Company to expand its 4G coverage and create large capacities. Your Company also continues to deploy latest technology of Dynamic Spectrum Re-farming (DSR), and Small Cells to maximize spectrum efficiency. Massive MIMO deployment of your Company remains the largest in India. Your Company has been deploying LTE on TDD band of 2300 MHz and 2500 MHz spectrum band to expand the capacity and on 900 MHz band on select sites to improve customer experience in dense areas. Consolidation of spectrum with each site using spectrum of both the erstwhile entities, coupled with deployment of TDD sites, Small Cells and Massive MIMO, thus continues to enhance 4G infrastructure of your Company.

## 3. Large Subscriber Base

Your Company has over 291 Mn subscribers as of March 31, 2020, of which 117 Mn were broadband subscribers. As your Company is expanding its 4G coverage and capacity, this large subscriber base provides a great platform to upgrade voice only customers to users of data services and digital content.

## 4. Power Brand

Your Company has two strong brands,  and , both of which have generated strong customer affinity over the years. With the consolidation of networks in many circles, your Company has also launched "TurboNet 4G", as a stronger and faster network brand that's built with the strength of both brands. The strength of brands and their advertising is reflected in several brand recognition awards that your Company has won. Vodafone & Idea were ranked

#21 in the Most Trusted Brands of 2020 by the Economic Times of India. Vodafone won Brand of the year & Marketer of the Year awards as well as the Grand EFFIE at APAC EFFIEs. Your Company also won 4 Golds, 4 Silvers and 2 Bronze at the EMVIEs 2019.

At present, your Company's communication strategy is aimed at strengthening brand stature by building 4G credentials. To promote 4G services to people from all walks of life, your Company has launched multiple advertising campaigns such as "Idea 4G Sabka Time Aagaya" and "Vodafone SuperNet 4G – The Data Strong Network". Your Company has also partnered with Google to launch a campaign for the "Idea Phone Line Service", enabling customers to experience the power of internet on feature phones. Your Company takes pride in providing the best post-paid experience in the country for all the high value customers with Vodafone REDX, an unparalleled plan that gives up to 50% faster network, 1 year of entertainment with Netflix, Amazon Prime, Zee5 and Vodafone Play, International Roaming, Airport lounge access and more.

To leverage the improved network experience, local circle campaigns were also launched in several circles, where your Company has the fastest speeds as certified by OOKLA - a third party recognition of network speeds. Your Company thus continues to focus on differentiating through brand equity, by creating strong assets for both brands – Vodafone and Idea.

## Overview of Key strategic initiatives

Following Merger, your Company has embarked on the challenging phase of integrating operations of erstwhile entities Vodafone India and Idea Cellular. Your Company has also undertaken various strategic initiatives to improve revenue and profitability as well as to strengthen its competitive position in the marketplace. Your Company has made significant progress on all these initiatives:

### 1. Update on integration

Your Company has made tremendous progress in integration of operations of Vodafone India and Idea to derive significant operational synergies and reduce expenditure, working extensively towards creating a 'fit for future' organisation. Your Company has already achieved full annualized opex synergies of ₹ 84 Bn by Q4FY20, more than two years earlier than the stated target at the time of merger announcement.

After successful completion of operational integration with consolidation of zonal and circle offices, integration of distribution network; retailers, service stores and service centers in FY19, your Company throughout FY20, continued to focus on network integration. The integration of network equipment, spectrum and redeploying of the



overlapping broadband sites has resulted in significant coverage and capacity expansion. Your Company has successfully completed consolidation of network and radio access network of eighteen service areas of West Bengal (December 2018), Andhra Pradesh, Haryana, Madhya Pradesh, Himachal Pradesh, Assam, North East, Jammu & Kashmir (January 2019), Bihar (February 2019) Punjab (March 2019), Odisha (July 2019), Rajasthan, Karnataka and Kolkata (September 2019), Uttar Pradesh (East), Gujarat and Delhi circles (January 2020) and Uttar Pradesh (West) (March 2020). Approx 92% of districts have been consolidated driving significant improvement in network speeds, leading to enhanced customer experience.

As certified by Ookla, as of March 2020, we offer fastest 4G download speeds across the three metros of Delhi, Mumbai and Kolkata along with West Bengal, Uttar Pradesh, Madhya Pradesh and Rajasthan.

In addition to the spectrum consolidation, your Company is also refarming GSM or 3G spectrum to deploy additional 4G carriers and has enhanced capabilities of some 900 MHz sites through dynamic spectrum-refarming. Your Company has already rolled out LTE on 900 MHz in 11 circles as planned.

While the integration has progressed well in FY20, the progress has been impacted by the nationwide lockdown due to COVID-19 pandemic. As the nationwide lockdown has halted the integration activity and derailed the timeline by a few months, your Company will strive to complete the remaining partial consolidation in 4 circles, namely Maharashtra & Goa, Mumbai, Kerala and Tamil Nadu in FY21.

## 2. Focus on Network Investments

Your Company continues to focus on expanding 4G coverage and improving data capacity, especially in its major markets. With the focused approach in its profitable areas, your Company has optimized its capital expenditure, while it continues to offer a superior customer experience.

During the year, your Company has added ~53,000 4G FDD sites which helped drive significant improvement in 4G population coverage. Your Company has also added more than 11,000 Small Cells till date, to improve coverage as well as capacity in dense urban areas. 4G population coverage as of March 2020 stands at 992 Mn compared to 871 Mn over an year ago. 4G population coverage fell marginally short of our stated target of 1 Bn population by March 2020 as rollout was impacted by lockdown.

Your Company has deployed ~58,800 TDD sites in addition to deployment of ~11,900 Massive MIMO till date, of which ~25,000 TDD sites and ~9,500 Massive MIMO sites were deployed in FY20. Massive MIMO deployment of Vodafone

Idea remains largest in India and one of the largest in the world. The overall broadband site count stood at 436,006 as of FY20 end, compared to 371,922 an year ago. Your Company has also been driving fiberization of 4G sites to support capacity expansion and our overall fiber footprint stands at ~361,000 km, including own built as well as IRU. Your Company has also implemented LTE 900 in 11 circles as planned, including through dynamic spectrum refarming, to improve customer experience.

The network integration along with other initiatives such as spectrum consolidation and refarming, deployment of TDD sites, small cells and massive MIMO have delivered a significant capacity uplift. Our overall capacity has more than doubled since September 2018. Such large capacity expansion has reduced the utilization levels and improved our overall download speeds, in turn leading to superior customer experience. Our 4G download speeds continue to improve across all circles.

Your Company is also rapidly consolidating traffic on the stronger network, in the non-profitable areas, and rationalising weaker of the two networks. As of March 2020, we exited 18,000 low utilization sites. This has led to reduced operating expenses as well as improvement in the coverage and experience for the weaker of the two networks, without impacting customer experience for the stronger brand.

## 3. Market initiatives to improve ARPU

With intense competition, industry ARPUs have been under significant pressure over the last few years despite the fact that market has consolidated to an optimal structure of 3 private operators and one government operator.

In December 2019, your Company as well as all the operators increased the tariffs across all price plans for both unlimited plans as well as all the combo vouchers. While this initiative provided much need ARPU improvement, tariffs continue to remain unsustainably low. All the operators had thus requested TRAI to set floor pricing, post which consultation paper was released by TRAI and all the operators have provided their comments. Your Company remains hopeful that TRAI will provide the much needed support to the sector in the form of floor pricing. This is essential to address the structural issue faced by the sector, and enable operators to generate returns on their investments and revive the overall health of the industry.

Your Company also remains focused on driving 4G/UL penetration to improve ARPU. Your Company has also started to consolidate its post-paid services under single brand of "Vodafone RED". Your Company had also launched "REDX" post-paid plan for post-paid customers which has excellent industry first features to attract high ARPU customers.

#### 4. Focus on enterprise services and content partnerships to drive value

Your Company is well positioned in enterprise offerings across the industry verticals. Your Company has built strong relationship with its enterprise customers by providing Enterprise grade solutions and services over last several years. The strong relationship with customers and global know how of Vodafone Group provide strong platform for future growth in this segment. Vodafone Idea Business Services (VIBS) continues to maintain leadership in IoT offerings which is an emerging segment and has potential to grow multi fold in the near future amid government's push towards 'Digital India' and 'Smart Cities'.

During the current pandemic, VIBS is supporting enterprises and SMEs succeed in adapting to this unprecedented change. Our robust Business Continuity Plan (BCP) and suite of products and services are enabling enterprises to go digital in a secure manner, ensure workforce safety and foster collaboration. The digital experience offerings such as MyVodafoneApp (MVA) is providing convenience to mobility customers and My Vodafone for Business (MVB) is allowing organizations to manage enterprise mobility from anywhere and at any time.

On Content, your Company is following a partnership approach tying with several regional and global content partners, e-commerce platforms, handset manufacturers, financial institutions, NBFCs among many others to drive value not only for the customers, but also for the company and its partners. Your Company currently has partnered with several global and regional content providers such as Amazon, Netflix, Sony, Zee, Hoichoi and Sun TV.

#### 5. Monetization initiatives

Your Company continues to focus on various fund raising and asset monetization initiatives to strengthen its Balance Sheet. In FY20, your Company concluded the Rights Issue of ₹ 250 Bn, one of the largest in India. The issue witnessed strong participation and oversubscribed by nearly 1.2 times by non-promoter shareholders, a clear demonstration of investor support to the company's strategy.

On April 25, 2018, the merger of Bharti Infratel and Indus Towers was announced which will create a listed Pan-India tower company. The merger has received the long awaited regulatory approval from the Department of Telecommunications on February 21, 2020, and thus has received all the required approvals. The long stop date on the original agreement has been to August 31, 2020. Vodafone Idea has the option to monetize its 11.15% stake in Indus on completion of the Indus-Infratel merger.

#### SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

The key financial ratios are as under:

Particulars	2019-20	2018-19
Current Ratio <sup>1</sup>	0.60	0.75
Debt Equity Ratio	12.79	1.98
Debt Service Coverage Ratio <sup>2</sup>	0.40	0.44
Interest Service Coverage Ratio <sup>3</sup>	0.53	0.50
Operating Profit Margin (%)	33%	11%
Net Profit Margin (%) <sup>4</sup>	(77%)	(41%)
Return on Net Worth (%) <sup>4</sup>	(382%)	(24%)

<sup>1</sup>Excluding Liability accrued towards AGR Judgment, borrowings and interest accrued

<sup>2</sup>DSCR=[Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised + scheduled long term principal repayments(excluding prepayments)]

<sup>3</sup>ISCR=[Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised]

<sup>4</sup>Excluding Exceptional items

The aforesaid ratios are not comparable due to (i) merger of Vodafone Mobile Services Limited and Vodafone India Limited with the Company during previous financial year (effective August 31, 2018); and (ii) Adoption of Ind AS 116 on leases effective April 1, 2019.

#### STANDALONE FINANCIAL RESULTS

Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMsL) (hereinafter collectively referred as "erstwhile Vodafone") have merged into the Company on August 31, 2018 (Effective Date). Accordingly, the financial results for the previous year ended March 31, 2019 include financial results of the operations of erstwhile Vodafone only for the period from August 31, 2018 to March 31, 2019 (refer note 3 to the Standalone Financial Statements). Further, the Company has adopted Ind AS 116, 'Leases', effective annual reporting period beginning April 01, 2019. Accordingly, in the Statement of profit and loss for the year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from rentals in previous financial year to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability in the current financial year. Pursuant to the above, the figures for the current financial year are not comparable with the figures of the previous financial year.

## Revenues

Revenue from operations for the Financial Year ended March 31, 2020 increased by ₹ 78,555 Mn and stood at ₹ 447,150 Mn for the Financial Year ended March 31, 2020 as compared to ₹ 368,595 Mn for the Financial Year ended March 31, 2019, primarily due to merger becoming effective from August 31, 2018 and hence previous year figures include the revenue from operations of the erstwhile Vodafone only for seven months i.e. from August 31, 2018 till March 31, 2019.

Other Income comprising of interest income, dividend income and gain on investments in mutual funds stood at ₹ 10,861 Mn for the year ended March 31, 2020 as compared to ₹ 10,747 Mn for the year ended March 31, 2019. The increase is mainly on account of increase in interest income amounting to ₹ 7,244 Mn due to temporary deployment of funds raised through Rights Issue in May 2019. This was partially offset by a decrease in gain on investment in mutual funds (including fair value gain) by ₹ 4,140 Mn and decrease in dividend income by ₹ 2,990 Mn.

## Operating Expenses

Total operating expenditure incurred during the year decreased by ₹ 28,040 Mn to ₹ 300,976 Mn from ₹ 329,016 Mn incurred during the previous year. The decrease is primarily due to the nature of expenses in respect of operating leases has changed from rentals in previous financial year to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability in the current financial year pursuant to adoption of Ind AS 116 offset by increase pursuant to merger of operations of erstwhile Vodafone for full year as compared to seven months i.e. from August 31, 2018 in the previous year.

**Cost of Trading Goods:** Cost of Trading Goods decreased to ₹ 3 Mn for Financial Year ended March 31, 2020 from ₹ 36 Mn incurred during Financial Year ended March 31, 2019.

**Employee Benefit Expenses:** Employee benefit expenses decreased by ₹ 1,488 Mn from ₹ 21,214 Mn during the year ended March 31, 2019 to ₹ 19,726 Mn during the year ended March 31, 2020 primarily on account of reduction in headcount/variable pay partially offset on account of increase due to merger of erstwhile Vodafone as mentioned above.

**Network Expense and IT Outsourcing Cost:** Network Expense and IT Outsourcing Cost decreased from ₹ 169,259 Mn for the year ended March 31, 2019 to ₹ 109,849 Mn for the year ended March 31, 2020 primarily due to adoption of Ind AS 116 resulting in Nil passive infrastructure charges and switching and cellsites rent for the year ended March 31, 2020 from ₹ 74,571 Mn and ₹ 1,297 Mn respectively for the year ended March 31, 2019. The above decrease is partially offset by increase in expenses

towards power and fuel and repairs and maintenance of plant and machinery by ₹ 4,128 Mn and ₹ 5,573 Mn respectively. This is primarily due to merger of erstwhile Vodafone as mentioned above.

**License Fees and Spectrum Usage Charges:** License Fees and Spectrum Usage charges increased from ₹ 39,243 Mn for the year ended March 31, 2019 to ₹ 48,476 Mn for the year ended March 31, 2020, primarily as a result of increase in Adjusted Gross Revenue.

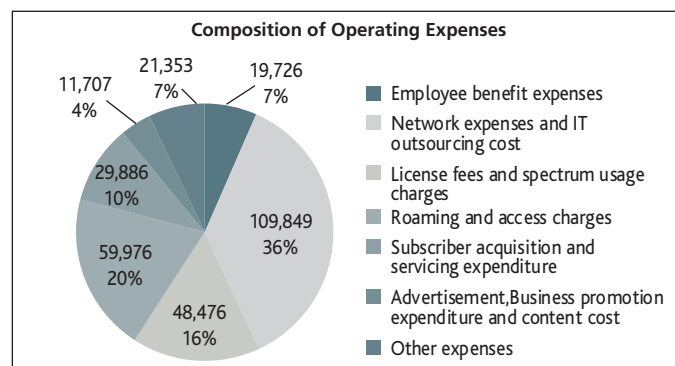
**Roaming and Access Charges:** Roaming and Access Charges increased by ₹ 18,286 Mn from ₹ 41,690 Mn for the year ended March 31, 2019 to ₹ 59,976 Mn for the year ended March 31, 2020. This is primarily due to merger of erstwhile Vodafone as mentioned above.

**Subscriber Acquisition and Servicing Expenditure:** Subscriber Acquisition and Servicing Expenditure, increased by ₹ 1,349 Mn from ₹ 28,537 Mn for the year ended March 31, 2019 to ₹ 29,886 Mn for the year ended March 31, 2020.

**Advertisement, Business Promotion Expenditure and content cost:** Advertisement, Business Promotion Expenditure and content cost increased by ₹ 1,316 Mn from ₹ 10,391 Mn for the year ended March 31, 2019 to ₹ 11,707 Mn for the year ended March 31, 2020, primarily as a result of increase in content cost by ₹ 2,043 Mn.

**Other Expenses:** Other expenses increased by ₹ 2,707 Mn from ₹ 18,646 Mn for the year ended March 31, 2019 to ₹ 21,353 Mn for the year ended March 31, 2020. This is primarily due to merger of erstwhile Vodafone partially offset by reduction in non-network rent amounting to ₹ 2,726 Mn pursuant to adoption of Ind AS 116 as mentioned above.

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



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

The EBITDA has increased by ₹ 106,709 Mn from ₹ 50,326 Mn for Financial Year ended March 31, 2019 to

₹ 157,035 Mn for Financial Year ended March 31, 2020. This is primarily due to adoption of Ind AS 116 and merger of erstwhile Vodafone as mentioned above. EBITDA as a percentage of total Income increased to 34.3% compared to 13.3% for Financial Year ended March 31, 2019.

#### Depreciation, Amortisation and Finance Charges

Depreciation and Amortisation expenses increased by ₹ 94,790 Mn from ₹ 144,098 Mn for year ended March 31, 2019 to ₹ 238,888 Mn for the year ended March 31, 2020. The depreciation charge for the year has increased by ₹ 70,828 Mn from ₹ 77,074 Mn for the Financial Year ended March 31, 2019 to ₹ 147,902 Mn for the Financial Year ended March 31, 2020, primarily as a result of adoption of Ind AS 116 and merger of erstwhile Vodafone as mentioned above. The amortisation charge for the year has increased by ₹ 23,962 Mn from ₹ 67,024 Mn for Financial Year ended March 31, 2019 to ₹ 90,986 Mn for Financial Year ended March 31, 2020, primarily as a result of (i) increase in intangible assets including on account of capitalisation of Spectrum in few circles and (ii) merger of erstwhile Vodafone as mentioned above.

Finance Charges for Financial Year ended March 31, 2020 increased by ₹ 58,262 Mn from ₹ 95,510 Mn to ₹ 153,772 Mn, primarily as a result of adoption of Ind AS 116 and merger of erstwhile Vodafone as mentioned above.

#### Exceptional Item

Exceptional Items for the year ended March 31, 2020 amounting to ₹ 387,242 Mn comprises of (i) charge towards AGR matter - ₹ 274,886 Mn, (ii) charge towards One Time Spectrum Charges (OTSC)- ₹ 38,871 Mn, (iii) integration and merger related costs of ₹ 9,855 Mn, (iv) accelerated depreciation / impairment of assets on account of network re-alignment of ₹ 57,269 Mn (v) provision for impairment towards its loan receivable/investment in subsidiaries / associate ₹ 6,224 Mn and (vi) others ₹ 137 Mn.

#### Profits and Taxes

The loss before tax for the year stood at ₹ 622,867 Mn as compared to a loss of ₹ 176,915 Mn for Financial Year ended March 31, 2019. The loss after tax for Financial Year ended March 31, 2020 stood at ₹ 731,315 Mn.

#### Capital Expenditure

During the Financial Year 2019-20, the capital expenditure (including capital advances and excluding RoU assets and Spectrum) incurred was ₹ 93,380 Mn. Further to the above, the Company has incurred ₹ 4,881 Mn and ₹ 252 Mn towards Bandwidth and Spectrum respectively. The above amounts exclude amounts capitalized and charged off towards One Time Spectrum Charges amounting to ₹ 38,871 Mn.

#### Balance Sheet

The Gross Block and Net Block (including Capital Work in Progress and Intangible assets under development) stood at ₹ 2,746,586 Mn and ₹ 1,810,149 Mn respectively as at March 31, 2020. As mentioned above, the Company transitioned to Ind AS 116 effective from April 1, 2019 which resulted in recognition of ROU assets of ₹ 245,209 Mn. The Gross Block and Net Block of ROU assets as at March 31, 2020 stood at ₹ 287,531 Mn and ₹ 203,089 Mn respectively. Investment in subsidiaries, joint ventures and associate stood at ₹ 45,040 Mn (net of provision for impairment) which includes investment of joint venture carried at FVTOCI. Other financial assets increased by ₹ 87,019 Mn from ₹ 132,418 Mn to ₹ 219,437 Mn, primarily due to recognition of settlement asset (refer note 3B to that financial statement for further details) and business consideration receivable on demerger of fibre business amounting to ₹ 83,687 Mn and ₹ 46,579 Mn respectively partially offset by decrease in current investment amounting to ₹ 62,540 Mn. Other Assets decreased by ₹ 10,736 Mn from ₹ 224,973 Mn to ₹ 214,237 Mn primarily due to decrease in Advance tax (including TDS) on account of Tax refunds received during the year partially offset by increase in GST recoverable. Deferred tax assets, as at March 31, 2020 is Nil as compared to ₹ 89,353 Mn as on March 31, 2019. The reduction is primarily due to de-recognition of deferred tax assets of ₹ 108,448 Mn (including DTA recognised on transition of Ind AS 116) on re-assessment of recognition of deferred tax assets on carry forward losses, unabsorbed depreciation and MAT credit based on its revised business plan.

The paid-up equity share capital of the Company increased by ₹ 199,998 Mn, pursuant to issuance of 19,999,830,911 Equity Shares under Rights Issue made during the year. Other equity of the Company decreased from ₹ 547,848 Mn to ₹ (197,341) Mn mainly due to the total comprehensive loss during the year amounting to ₹ 749,557 Mn transition impact pursuant to adoption of Ind AS 116 ₹ 44,649 Mn partially offset by Securities Premium (net of issue expenses) on issue of shares amounting to ₹ 49,166 Mn. As on March 31, 2020, the total equity stood at ₹ 90,013 Mn.

Total borrowings decreased by ₹ 108,224 Mn and stood at ₹ 1,151,175 Mn as on March 31, 2020. Other financial liabilities increased by ₹ 222,954 Mn and stood at ₹ 582,231 Mn for Financial Year ended March 31, 2020. The increase is primarily due to lease liabilities created during the current year pursuant to adoption of Ind AS 116 amounting to ₹ 268,530 Mn, accrual towards One Time Spectrum Charges (OTSC) provided in current year amounting to ₹ 38,871 Mn which is partially off-set by decrease in settlement liability (refer note 3B for more details) by ₹ 83,923 Mn. Other Liabilities and Provisions increased



by ₹ 388,611 Mn from ₹ 76,833 Mn as at March 31, 2019 to ₹ 465,444 Mn as at March 31, 2020 primarily due to accruals recognised pursuant to Hon'ble Supreme Court's Judgment on the AGR matter.

### Cash Flow Statement

The cash generated from operations of ₹ 69,210 Mn (net of ₹ 68,544 Mn paid towards the AGR matter) alongwith proceeds from allotment of shares under Rights Issue of ₹ 249,164 Mn, interest received of ₹ 5,833 Mn and cash realised on sale of current investments amounting to ₹ 65,423 Mn was primarily used for payment towards capital expenditure ₹ 76,510 Mn, payment of interest and finance charges ₹ 152,508 Mn, net repayment of lease liabilities and borrowings of ₹ 145,422 Mn and short term investment in fixed deposits amounting to ₹ 16,500 Mn. Consequently, cash and cash equivalents as at March 31, 2020 stood at ₹ 3,184 Mn.

### CONSOLIDATED FINANCIAL RESULTS

The figures for the current financial year are not comparable with the figures of the previous financial year due to the reasons mentioned above in the Standalone Financial Results section.

#### Revenues

Revenue from operations for the Financial Year ended March 31, 2020 increased by ₹ 78,650 Mn and stood at ₹ 449,575 Mn for the Financial Year ended March 31, 2020 as compared to ₹ 370,925 Mn for the Financial Year ended March 31, 2019, primarily due to merger becoming effective from August 31, 2018 and hence previous year figures include the revenue from operations of erstwhile Vodafone and its subsidiaries only for seven months i.e. from August 31, 2018 till March 31, 2019.

Other Income primarily comprising of Interest Income and Gain on investments in mutual funds stood at ₹ 10,393 Mn for the Financial Year ended March 31, 2020 as compared to ₹ 7,311 Mn for the Financial Year ended March 31, 2019. The increase is mainly on account of increase in interest income amounting to ₹ 7,157 Mn due to temporary deployment of funds raised through Rights Issue in May 2019. This was partially offset by a decrease in gain on investment in mutual funds by ₹ 4,170 Mn.

#### Operating Expenses

Total operating expenditure incurred during the year decreased by ₹ 29,248 Mn to ₹ 300,450 Mn from ₹ 329,698 Mn incurred during the previous year. The decrease is primarily due to the nature of expenses in respect of operating leases has changed from rentals in previous financial year to depreciation on the

right-of-use asset and finance cost for interest accrued on lease liability in the current financial year pursuant to adoption of Ind AS 116 offset by increase pursuant to merger of operations of erstwhile Vodafone and its subsidiaries for full year as compared to seven months i.e. from August 31, 2018 in the previous year.

**Cost of Trading Goods:** Cost of Trading Goods decreased by ₹ 131 Mn to ₹ 129 Mn for the Financial Year ended March 31, 2020 from ₹ 260 Mn incurred during Financial Year ended March 31, 2019.

**Employee Benefit Expenses:** Employee benefit expenses decreased by ₹ 1,301 Mn from ₹ 22,944 Mn incurred during the Financial Year ended March 31, 2019 to ₹ 21,643 Mn incurred during the year ended March 31, 2020 primarily on account of reduction in headcount / variable pay partially offset on account of increase due to merger of erstwhile Vodafone as mentioned above.

**Network Expense and IT Outsourcing Cost:** Network Expense and IT Outsourcing Cost decreased by ₹ 60,136 Mn from ₹ 170,052 Mn for the year ended March 31, 2019 to ₹ 109,916 Mn for the year ended March 31, 2020, primarily due to adoption of Ind AS 116 resulting in Nil passive infrastructure charges and switching and cellsites rent for the year ended March 31, 2020 from ₹ 73,865 Mn and ₹ 1,582 Mn respectively for the year ended March 31, 2019. The above decrease is partially offset by increase in expenses towards power and fuel and repairs and maintenance of plant and machinery by ₹ 3,899 Mn and ₹ 6,695 Mn respectively. This is primarily due to merger of erstwhile Vodafone and its subsidiaries as mentioned above.

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

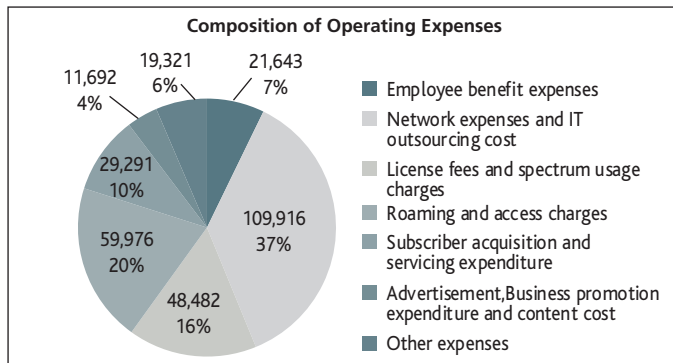
**Subscriber Acquisition and Servicing Expenditure:** Subscriber Acquisition and Servicing Expenditure increased by ₹ 1,284 Mn from ₹ 28,007 Mn for Financial Year ended March 31, 2019 to ₹ 29,291 Mn for the year ended March 31, 2020.

**Advertisement, Business Promotion Expenditure and content cost:** Advertisement, Business Promotion Expenditure and content cost increased by ₹ 1,253 Mn from ₹ 10,439 Mn for the year ended March 31, 2019 to ₹ 11,692 Mn for the year ended March 31, 2020, primarily as a result of an increase in content cost by ₹ 2,043 Mn.

**Other Expenses:** Other expenses increased by ₹ 2,346 Mn from ₹ 16,975 Mn for the year ended March 31, 2019 to ₹ 19,321 Mn for the year ended March 31, 2020. This is primarily due to merger of erstwhile Vodafone and its subsidiaries partially offset by reduction in non-network rent amounting to ₹ 2,803 Mn pursuant to adoption of Ind AS 116 as mentioned above.



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



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

The EBITDA has increased by ₹ 110,980 Mn from ₹ 48,538 Mn for the Financial Year ended March 31, 2019 to ₹ 159,518 Mn in the Financial Year ended March 31, 2020. This is primarily due to adoption of Ind AS 116 and merger of erstwhile Vodafone as mentioned above. EBITDA as a percentage of total Income increased to 34.7% compared to 12.8% for the Financial Year ended March 31, 2019.

### Depreciation, Amortisation and Finance Charges

Depreciation and Amortisation expenses increased by ₹ 98,208 Mn from ₹ 145,356 Mn for Financial Year ended March 31, 2019 to ₹ 243,564 Mn for Financial Year ended March 31, 2020. The depreciation charge for the year has increased by ₹ 74,096 Mn from ₹ 77,984 Mn for the Financial Year ended March 31, 2019 to ₹ 152,080 Mn for the Financial Year ended March 31, 2020, primarily as a result of adoption of Ind AS 116 and merger of erstwhile Vodafone as mentioned above. The amortisation charge for the year has increased by ₹ 24,112 Mn from ₹ 67,372 Mn for the Financial Year ended March 31, 2019 to ₹ 91,484 Mn for the Financial Year ended March 31, 2020, primarily as a result of (i) increase in our intangible assets including on account of capitalisation of Spectrum in few circles and (ii) merger of erstwhile Vodafone as mentioned above.

Finance Charges for Financial Year ended March 31, 2020 increased by ₹ 58,495 Mn from ₹ 95,425 Mn to ₹ 153,920 Mn, primarily as a result of adoption of Ind AS 116 and merger of erstwhile Vodafone as mentioned above.

### Exceptional Item

Exceptional Items for the year ended March 31, 2020 amounting to ₹ 383,557 Mn comprises of (i) charge towards AGR matter - ₹ 275,143 Mn, (ii) charge towards One Time Spectrum Charges (OTSC)- ₹ 38,871 Mn, (iii) integration and merger related costs of ₹ 10,012 Mn, (iv) accelerated depreciation / impairment of assets on account of network re-alignment of ₹ 57,571 Mn,

(v) provision for impairment towards its loan receivable/investment in subsidiaries / associate ₹ 1,596 Mn and (vi) others ₹ 364 Mn.

### Profits and Taxes

The loss before tax for the year stood at ₹ 617,970 Mn as compared to a loss of ₹ 181,754 Mn for the Financial Year ended March 31, 2019. The loss after tax for the Financial Year ended March 31, 2020 stood at ₹ 738,781 Mn.

### Capital Expenditure

During the Financial Year 2019-20, the capital expenditure (including capital advances and excluding RoU assets and Spectrum) incurred was ₹ 96,279 Mn. Further to the above, the Company has incurred ₹ 4,881 Mn and ₹ 252 Mn towards Bandwidth and Spectrum respectively. The above amounts exclude amounts capitalized and charged off towards One Time Spectrum Charges amounting to ₹ 38,871 Mn.

### Balance Sheet

The Gross Block and Net Block (including Capital Work in Progress and Intangible assets under development) stood at ₹ 2,835,795 Mn and ₹ 1,869,086 Mn respectively as at March 31, 2020. As mentioned above, the Group transitioned to Ind AS 116 effective from April 1, 2019 which resulted in recognition of ROU assets of ₹ 245,927 Mn. The Gross Block and Net Block of ROU assets as at March 31, 2020 stood at ₹ 288,306 Mn and ₹ 203,739 Mn respectively. Investment in joint venture and associate stood at ₹ 15,244 Mn (net of provision for impairment). Other financial assets increased by ₹ 46,557 Mn from ₹ 121,065 Mn to ₹ 167,622 Mn, primarily due to recognition of settlement asset (refer note 3B to that financial statement for further details) amounting to ₹ 83,687 Mn partially offset by decrease in current investment amounting to ₹ 62,540 Mn. Other Assets decreased by ₹ 11,652 Mn from ₹ 228,216 Mn to ₹ 216,564 Mn primarily due to decrease in Advance tax (including TDS) on account of Tax refunds received during the year partially offset by increase in GST recoverable. Deferred tax assets as at March 31, 2020 stood at ₹ 20 Mn as compared to ₹ 103,385 Mn as on March 31, 2019. The reduction is primarily due to de-recognition of deferred tax assets of ₹ 120,807 Mn (including DTA recognised on transition of Ind AS 116) on re-assessment of recognition of deferred tax assets on carry forward losses, unabsorbed depreciation and MAT credit based on its revised business plan.

The paid-up equity share capital of the Company increased by ₹ 199,998 Mn, pursuant to issuance of 19,999,830,911 Equity Shares under Rights Issue made during the year. Other equity of the Company decreased from ₹ 508,992 Mn to ₹ (227,555) Mn mainly due to the total comprehensive loss during the year amounting to ₹ 738,871 Mn, transition impact pursuant to adoption of Ind AS 116 ₹ 44,649 Mn partially offset by Securities Premium (net of issue expenses) on issue of shares amounting to ₹ 49,166 Mn. As on March 31, 2020, the total equity stood at ₹ 59,799 Mn.

Total borrowings decreased by ₹ 109,444 Mn and stood at ₹1,149,955 Mn as on March 31, 2020. Other financial liabilities increased by ₹ 226,343 Mn and stood at ₹ 588,673 Mn for Financial Year ended March 31, 2020. The increase is primarily due to lease liabilities created during the current year pursuant to adoption of Ind AS 116 amounting to ₹ 268,792 Mn, accrual towards One Time Spectrum Charges (OTSC) provided in current year amounting to ₹ 38,871 Mn, which is partially off-set by decrease in settlement liability (refer note 3B for more details) by ₹ 83,923 Mn. Other Liabilities and Provisions increased by ₹ 393,151 Mn from ₹ 77,580 Mn as at March 31, 2019 to ₹ 470,731 Mn as at March 31, 2020 primarily due to accruals recognised pursuant to Hon'ble Supreme Court's Judgment on the AGR matter.

### Cash Flow Statement

The cash generated from operations of ₹ 73,275 Mn (net of ₹ 68,544 Mn paid towards the AGR matter) alongwith proceeds from allotment of shares under Rights Issue of ₹ 249,164 Mn, interest received of ₹ 5,172 Mn and cash realised on sale of current investments amounting to ₹ 65,423 Mn, was primarily used for payment towards capital expenditure of ₹ 79,662 Mn, payment of interest and finance charges ₹ 152,585 Mn, net repayment of lease liabilities and borrowings of ₹ 146,766 Mn and short term investment in fixed deposits amounting to ₹ 16,504 Mn. Consequently cash and cash equivalents as at March 31, 2020 stood at ₹ 3,669 Mn.

### HUMAN RESOURCE MANAGEMENT

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

#### Inclusion

At Vodafone Idea, we realize that Diversity and Inclusion at the workplace helps foster an open and healthy work environment and is critical to our business strategy. We believe Women at various management levels bring plurality, diverse thinking, varied leadership styles and values. To build a diverse internal team we need to focus on creating a supportive ecosystem to hire, engage and retain women talent. We are enabling women in the workforce by taking care of their professional and personal needs depending on their life stage. Hence we have introduced new policies including maternity policy with benefits over and beyond the statutory standards, enabling travel policy, reach home safe support, flexible hours and remote location working etc. Each of which offers more flexibility and comfort to shoulder these life stage demands and be effective at work.

Enhancing women proportion in the organization continues to be our focus area. We focus on closely on tracking proportion of women in our external hiring initiatives. In order to create a company culture with leadership commitment towards gender inclusion, we have also introduced capability enhancement for women, gender sensitization workshops and employee assistance program.

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

#### Health and Safety

At VIL, Health, Safety and Wellbeing (HSW) are not just priority, these are our core values. We are committed to "not doing business by putting people at risk". We have established our Absolute Safety Rules and standards for all high risk activities in our business. To walk the talk on our promise, we just do not focus on top-down approach in driving HSW agenda but also on bottom-up approach in our organization. Site Inspections based on HSW Checklists along with a robust governance mechanism are few of our leading indicators with the help of which we have achieved substantial improvement in our lagging indicators. Ensuring high standards in Road Safety is one of the major challenges in our business but with an all-round participation, we were able to cover 99.30% of our 2 wheeler riders and 81.7% of 4 wheeler drivers under defensive driving training program. These numbers are just one of the examples of various success stories that we have achieved in last financial year.

Another success story is related to this unprecedented time of COVID-19. We enabled through granular planning to enable about 10,000 employees to work from home in a very short window. We have followed a cautious approach to opening up in different geographies keeping health and interest of our employees foremost in our approach. Our pragmatic approach has not only helped us in safeguarding our team members but also helped us in keeping their moral high. This has helped us in delivering high service level in the market.

A practice that we pioneered is the adoption of social distancing at our Retail Stores. Our Retail Stores have marked 1 meter peripheral boundary from the desk of our CCE to ensure social distancing. This practice was implemented by us across the stores on March 18, 2020. Later, not only other industry players, but also other industries have adopted the same. This is one of the classic examples of Risk Based Approach.

#### Talent Management

At Vodafone Idea we want to create Talent as a competitive differentiator. To be able to do so we must have the capability to accurately identify top talent or high potential employees who

can be groomed for future roles. Through the talent management program we are building -

- Talent that is fit-for-Purpose & sets the stage for the future.
- Succession planning as the key outcome of the talent identification process.
- Well-orchestrated careers for Top Talent.

To simplify and standardize our expectation of what is required for the future, we have developed a core competency framework to guide us. To ensure all employees understand the organizational competency framework, we have launched a game based e-learning module which is being completed by employees across functions. The leadership teams of all circles have participated in an interesting 'cook off' workshop, the objective of which is to deepen their understanding of the competencies in an experiential way. The competencies detail the future fit behaviors at different career stages. These behaviors are critical for success in this market, now and for tomorrow.

Through a transparent and objective assessment process, which includes psychometric tests, case study and situation-judgement scenarios, we classify top talent and have clear line of sight into who are the high potentials, and emphasis is placed on their IDP (Individual Development Plans) and career path.

#### **Learning & Development**

Digital delivery of rich content was an objective that we had adopted in VIL in the previous year. These efforts and initiatives are coming to life now and are making it possible for us to take learning to people's homes during these times. The widespread adoption of the game based competency learning content across the organization during the lockdown period is an example of successful deployment.

The Training Need Identification process and leaders connect were made to understand the learning needs of the organization. Accordingly, specific training programs were created internally by Capability COE. The training programs were launched internally through Train the Trainer – TTT methodology. Eight training interventions were launched in Financial Year 2019–20. Overall, there has been 69% employee coverage in Financial Year 2019–20 in all training interventions.

There are distinct segments for learning and development initiatives:

- Leadership Development Programs for Circle Business Heads and Corporate HODs and CLT - Approximately 200 leaders have attended different programs on leadership at Gyanodaya, Corporate Learning Center of ABG.
- VIL Young Leaders Connect - Young Leadership Development has been initiated through Timebox series to understand the development needs of young leaders.
- Women Capability Development - We have also launched a learning program specifically for Women Capability Development called UDAAN (mentioned above) - 616 women employees have benefitted from UDAAN.

- Digital Initiatives have been implemented –VIL Learning app has been leveraged for training employees on VIL competency through a gamified learning format – Quest for the Wisdom Stones. The Learning Management System LMS is ready and will be accessible to all employees in April 2020.

#### **Risk Management**

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

#### **Regulatory**

Major regulatory developments for the period are:

##### **1. DoT Instructions for Alternate Digital KYC for issuing new mobile connections**

DoT vide its letter dated April 03, 2019 Issued directions to Telecom Service Providers on alternate Digital KYC process to be used for issuing new mobile connections to subscribers. The process enabled TSPs to digitally collect all required documents, subscriber photograph and fill CAF electronically for all subscriber types – individual, foreign, outstation, bulk.

##### **2. Statutory Auditor's Certificate for ILD Licenses**

DoT vide its letter dated April 25, 2019 issued a clarification on Deduction Verification of ILD Operators for the period Financial Year 2013-14 to 2018-19. Salient features of the clarification are as follows:

- For Financial Year 2013-14 to 2018-19, the verification of claimed deductions for ILD shall be based solely on Statutory Auditor's Certificate detailing the quarter wise operator wise Call Charges (Access Charges) actually paid to other TSP's during the year.
- The submission of Statutory Auditor's Certificate is to be made to CCA concerned/DoT HQ.
- Deduction verification for standalone ILD Licenses shall be undertaken by respective CCA's where the assessment is currently being done, and the rest shall be undertaken at DoT HQ.
- Auditor's Certificate should certify the amount strictly on basis of Actual Payment made. Any payment not actually made in the particular Quarter should not be certified by the Statutory Auditor, irrespective of the date of invoice or any other criteria.

**3. DoT Instructions on Personalization of SIM Card**

DoT, vide its letter dated August 19, 2019 directed all Telecom Service Providers that personalization of SIM Cards provided to subscribers for accessing mobile network was to be done within India with effect from March 01, 2020. Standard Operating Procedure to be followed for personalization of SIM Cards was issued by DoT on February 27, 2020.

**4. DoT Clarifications / Guidelines regarding import of equipment to the Service Providers sharing active infrastructure**

DoT, vide its clarification dated September 18, 2019 issued guidelines that would be followed by the respective Regional Licensing Offices (RLOs) for granting the license to import the equipment under such sharing agreement amongst service providers, as per details below:

- All the signatory service providers must have frequency authorization in at least one of the access service frequency bands.
- It should be ensured that the sharing service providers hold spectrum in at least one of the bands supported by the equipment being imported. Such equipment should not support a frequency band in which none of the sharing service providers holds any spectrum.
- The sharing partners need to submit a joint undertaking that the applicant service provider is importing these equipment as per the relevant sharing agreement entered amongst them; however, the use of the imported equipment by the individual service providers will be strictly limited to the respective spectrum holdings.
- Such import license should stipulate a condition that the service providers must not radiate in the band in which spectrum is not allotted to them.

**5. DoT Advisory on sharing of In-Building infrastructure**

DoT, vide its letter dated November 18, 2019 issued an advisory to all Telecom Service Providers on sharing of In-Building infrastructure.

Vide this advisory, the DoT advised all Telecom Service Providers to share their In-Building Infrastructure (IBS, OFC & other cables, ducts, etc.) with other TSPs, in all the existing Government / Public buildings/ places like Airports, Railway Stations, Bus Terminals, Metro Stations/Lines, Hospitals etc. as per terms & conditions of their respective licenses.

**6. Amendment in Unified License on deferment of the auction payments instalment for FY 2020-21 and 2021-22**

DoT, vide its letter dated February 05, 2020 issued an amendment in Unified License on deferment of the auction payments instalment for FY 2020-21 and 2021-22.

DoT, vide this amendment has appended the following sub-clause no. 18.3.2. in the Licensing financial conditions, as highlighted below:

*18.3.2 The Licensee may opt to defer the spectrum auction instalment due for the FY 2020-21 and 2021-22, either for one or both years. The deferred amount will be equally spread over the remaining instalments to be paid by Licensee, without any increase in the existing time period specified for making the instalment payments. Interest as indicated in clause 18.3.1 (b) shall be charged to protect the NPV of the payable amount. The licensee opting for deferred spectrum instalments will continue to securitize the next payable annual instalment by a Financial Bank Guarantee (FBG) of an amount equivalent to the revised annual instalment. A Licensee opting for a two year deferment, shall provide to the licensor an FBG of the revised annual instalment amount payable in the year 2022-2023, valid for the entire two-year duration of the deferment.*

The amendment shall be part and parcel of the UL agreement and all the other Terms & Conditions shall remain unchanged.

The amendment came into force with effect from February 05, 2020.

**7. Telecommunication Mobile Number Portability**

TRAI on September 30, 2019 issued eighth amendment to MNP Regulation, which have come into effect from November 11, 2019, with below salient features:

- The Recipient Operator shall be liable to pay Per Port Transaction charge for each porting request of the mobile number to the Mobile Number Portability Service provider as notified by the Authority from time to time.
- The Recipient Operator shall be liable to comply with the Quality of Service parameters, as specified by the Authority from time to time.

TRAI on October 01, 2019 issued 2<sup>nd</sup> Amendment to MNP Per Port Transaction Charge & Dipping Charge Regulation vide which the Per Port Transaction Charge for each porting request was fixed as ₹ 6.46 (Rupees six and paisa forty six only). This Regulation came into effect from November 11, 2019.

TRAI issued a public notice on December 10, 2019 revising Mobile Number Portability Process with effect from December 16, 2019.

**8. TRAI Regulations on the Standards of Quality of Service (Seventh Amendment)**

TRAI issued Regulations on the Standards of Quality of Service of Basic Telephone Service (Wireline) and



Cellular Mobile Telephone Service (Seventh Amendment) Regulations, 2019 on November 1, 2019 prescribing duration of alert for the called party.

As per this amendment, Access Provider would have to maintain the time duration of alert for an incoming voice call, which is neither answered nor rejected by the called party, to thirty seconds for Cellular Mobile Telephone Service and sixty seconds for Basic Telephone Service. The terminating network shall, on expiry of thirty second in case of Cellular Mobile Telephone Service and sixty seconds in case of Basic Telephone Service, release the incoming voice call and transmit the call release message to the originating network. However, originating network may release an unanswered call after ninety seconds in case the call release message is not received from the terminating network.

#### 9. TRAI Regulations on wireless to wireless Domestic Call Termination Charges

TRAI on December 17, 2019 issued the regulation for Domestic Call Termination Charges. For wireless to wireless domestic calls, termination charge would continue to remain as ₹0.06 (paise six only) per minute up to December 31, 2020.

From January 1, 2021 onwards the termination charge for wireless to wireless domestic calls shall be zero.

#### 10. TRAI Regulations on Interconnection Usage Charges (Sixteenth Amendment) Regulations, 2020

TRAI on April 17, 2020, has issued Telecommunication Interconnection Usage Charges (Sixteenth Amendment) Regulations, 2020 vide which revised the regime of fixed International Termination Charges (ITC) of ₹ 0.30 (paise thirty only) to a charge within a range of not less than ₹ 0.35 (paise thirty five only) per minute and not more than ₹ 0.65 (paise sixty five only) per minute in a non-discriminatory manner, with effect from May 01, 2020.

#### Opportunities, Risks, Concerns and Threats

The prevalent hyper-competition over the last few years has led the Indian mobile industry to consolidate from 8-10 operators to an optimal structure of four operators. All the existing private operators have made significant investments towards expanding broadband network across the country. The increasing broadband coverage and extremely affordable 4G services, coupled with increasing affordability of smartphones and rising income levels have led to massive spurt in broadband users. India has thus witnessed an impressive growth in wireless broadband subscriber (>512 kbps), up from 133 Mn in March 2016 to 668 Mn in March 2020. With such strong broadband subscriber addition, India has the second highest wireless internet users in the world, providing significant opportunity for data growth and subsequently drive new digital revenue streams. In addition, there is significant headroom for wireless broadband penetration (as a percentage

of overall subscriber base) to improve further from 57.7% as of March 2020 (Source: TRAI), as rest of the India goes online.

India's growing young population is driving growth in social media usage and content consumption through various streaming apps, both video and audio, and the demand for high speed internet is growing by leaps and bounds. Due to lack of adequate infrastructure, the growth of wired internet has been restricted to major cities as a result of which wireless remains the preferred means of connecting to the internet. Your Company has the largest spectrum footprint, significant network investments and customer affinity to its two strong brands – Vodafone and Idea, and thus fully equipped to benefit from these trends and has been aggressively expanding its broadband network across the length and breadth of country. Further, the rural penetration is still at a relative low level of 58.5%, indicating nearly many Indians are yet to adopt mobile telephony services which provides significant long term opportunity to the mobile operators.

The current lock down also establishes the importance and criticality of telecom for the entire nation. We have seen significant increase in the data volumes during this period. Further, with many organisations considering Work From Home (WFH) as a long term phenomena, we believe that the data demand will remain high. In such scenario, any increase in prices by operators or by the regulator through introduction of floor pricing will have a significant positive impact on revenue and in turn on EBITDA and Profitability. We have also started to witness a shift in the way customers' recharge – moving from physical vouchers towards digital. This phenomena will have a long term positive impact on our cost and customer retention. The current lockdown also establishes the importance of telecom for the entire nation. We believe the government has taken cognizance of the same and expect it provide support for long term health of the sector.

Your Company has several ongoing litigations and any adverse determination of these remains a risk. Your Company works with various local, state and central government agencies for specific permissions to operate its mobile licenses and is required to meet various regulatory/ policy guidelines of the DoT and may be subjected to various regulatory demands, penalties/ fines or increased cost of compliance. Your Company makes best effort to adhere to all such requirements. The unfavorable AGR ruling has significant financial impact and your Company is currently awaiting hearing on relaxed payment timelines. No relief on that account will have adverse material impact on your Company. Meanwhile, your Company believes in sound corporate governance practices and believes that these litigations would be settled in due course in the best interest of all stakeholders.

The telecom sector is characterized by technological changes and competition from new technologies is an inherent threat. However, your Company has a strong spectrum portfolio and



robust network footprint and continues to invest in the new emerging network solutions to adapt to any future technological changes.

Your Company's business is dependent on key Network and IT equipment suppliers for management and continuity of its Network, IT and business processes. While your Company is following a very well-defined integration plan, given the large scale of integration, there is a possibility of network disruptions. Your Company has already completed network integration in 18 out of 22 service areas without any major disruptions. These networks may also be vulnerable to technical failures or any natural calamity. Your Company is in partnership with global leaders in Network equipment and IT services and enjoys very long standing healthy relations with all its suppliers. Your Company has a robust network & IT security processes and disaster recovery plans. There is also an impact due to countrywide lockdown to contain spread of COVID-19, however as the country is moving towards 'Un-lock', we believe the long term opportunities remains intact.

#### **Outlook**

The merger of Vodafone India and Idea Cellular, a partnership between two strong promoters Aditya Birla Group and Vodafone Group, has created one of India's leading telecom service provider. The merger of two large organizations with complementary strengths has opened multiple opportunities and allowed your Company to draw synergies across the board. Since merger, your Company has achieved several milestones

ahead of the expected timeline and strives to complete the integration exercise in FY21.

Your Company has made significant investments for expanding coverage and capacity of 4G network and continues to expand its coverage and capacity further. Your Company has already reached nearly 1 Bn 4G population coverage and more than doubled its capacity as of March 2020, compared to September 2018. All these initiatives provide the best of customer experience to our retail and enterprise customers; and help in creating an agile and future-fit organization.

As the world faces unprecedented challenges this year due to COVID-19 pandemic, your Company continues to focus on providing uninterrupted services to all its customers. Your Company continues to go above and beyond to help its customers in these difficult times, and has provided free services to almost 100 Mn customers. This is despite the fact that your Company as well as the rest of the industry continue to face severe financial burden, which was further aggravated by the unfavourable AGR judgement.

In the light of the recent situation, we believe the government recognises the importance of the telecom sector as an essential service provider and would ensure the vitality of the industry is revived by providing timely relief. We remain hopeful that the TRAI will support the sector through floor pricing which will help to improve sector ARPU and subsequently revive financial health of the sector.

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#### **Cautionary Statement**

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

## Corporate Governance Report

### Company's Philosophy on Corporate Governance

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

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

#### 1. BOARD OF DIRECTORS

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

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

#### Composition of the Board

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

As on March 31, 2020, the Board comprised of twelve members consisting of one Non-Executive Chairman, a Managing Director, six Independent Directors (including one Independent Woman Director) and four Non-Executive Directors. The composition of the Board reflects the judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

Mr. Ravinder Takkar, who was a Non-Executive Director on the Board was appointed as Managing Director and Chief Executive Officer of the Company with effect from August 19, 2019, in place of Mr. Balesh Sharma who stepped down from the office of Chief Executive Officer. There have been no other changes in the Board of Directors during the year under review.

The Composition of the Board of Directors and the number of Directorships and Committee positions held by them as on March 31, 2020 are as under:

Name of Director	Category	No. of Outside Directorship(s) Held <sup>1</sup>	Outside Committee Positions Held <sup>2</sup>		Details of other listed companies in which Director is part of the Board and Category of Directorship
		Public	Member	Chairman/ Chairperson	
Mr. Kumar Mangalam Birla	Non-Executive Chairman	8	-	-	<ol style="list-style-type: none"> <li>Grasim Industries Ltd. (Non-Executive Director)</li> <li>Hindalco Industries Ltd. (Non-Executive Director)</li> <li>UltraTech Cement Ltd. (Non-Executive Director)</li> <li>Century Textiles and Industries Ltd. (Non-Executive Director)</li> </ol>

Name of Director	Category	No. of Outside Directorship(s) Held <sup>1</sup>	Outside Committee Positions Held <sup>2</sup>		Details of other listed companies in which Director is part of the Board and Category of Directorship
		Public	Member	Chairman/ Chairperson	
Mr. D. Bhattacharya	Non-Executive	2	1	-	5. Aditya Birla Capital Ltd. (Non-Executive Director) 1. Hindalco Industries Ltd (Non-Executive Director) 2. Nocil Limited (Non-Executive Director)
Mr. Himanshu Kapania	Non-Executive	4	1	1	Aditya Birla Fashion and Retail Limited (Non-Executive Director)
Mr. Thomas Reisten	Non-Executive	1	-	-	-
Mr. Ravinder Takkar	Managing Director & Chief Executive Officer	1	-	-	-
Mr. Vivek Badrinath	Non-Executive	-	-	-	-
Mr. Arun Adhikari	Independent	4	3	-	1. Aditya Birla Capital Ltd. (Independent Director) 2. UltraTech Cement Ltd. (Independent Director) 3. Voltas Ltd. (Independent Director)
Mr. Arun Thiagarajan	Independent	4	2	2	1. GE Power India Ltd. (Independent Director) 2. TTK Prestige Ltd. (Independent Director) 3. Aditya Birla Fashion & Retail Ltd. (Independent Director) 4. Grasim Industries Ltd. (Independent Director)
Mr. Ashwani Windlass	Independent	4	0	2	1. Hindustan Media Ventures Ltd. (Non-Executive Director) 2. Jubilant Foodworks Ltd. (Non-Executive Director) 3. Bata India Limited (Independent Director)
Mr. Krishna Ramachandran	Independent	-	-	-	-
Ms. Neena Gupta	Independent	1	-	-	-
Mr. Suresh Vaswani	Independent	-	-	-	-

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

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

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

During the year under review none of the Director(s) on the Board holds directorship in more than ten public limited companies. Further, none of the Independent Directors serves as an Independent Director in more than seven listed companies.

Further, none of the Director is a member of more than ten Committees or Chairman of more than five Committees, across all the Companies in which he/she is a Director.

As at March 31, 2020 no Directors are related to each other. The Company has issued the formal letter of appointment to all the Independent Directors as prescribed under the provisions of the Companies Act, 2013 and the terms and conditions of their appointment has been uploaded on the website of the Company. The Company has received declarations from all the

Independent Directors confirming that they meet the criteria of independence as specified under Regulation 16(1)(b) of the Listing Regulations and Section 149 (6) of the Companies Act, 2013 and they are qualified to act as Independent Directors and that they are independent of the management. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated

that could impair or impact their ability to discharge their duties.

#### Key Skill Matrix of the Board

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

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

*Industry knowledge, Sales & Marketing, Innovation, Technology & Networks, Financial literacy & Risk Management, Corporate Governance, Legal & Compliance, Strategic expertise, Sustainability and Human Resource Development.*

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

Name of Director	Industry knowledge & Innovation	Financial Expertise	Risk Management	Legal Compliance	Sales and Marketing	Strategy	Technology & Networks	Corporate Governance	Sustainability	Human Resource Development	General Management
Mr. Kumar Mangalam Birla	✓	✓	✓			✓	✓	✓	✓	✓	✓
Mr. Ravinder Takkar	✓		✓		✓	✓	✓	✓	✓	✓	✓
Mr. D. Bhattacharya	✓	✓	✓		✓	✓		✓	✓		✓
Mr. Himanshu Kapania	✓	✓	✓		✓	✓	✓	✓		✓	✓
Mr. Vivek Badrinath	✓				✓	✓	✓	✓	✓	✓	✓
Mr. Thomas Reisten	✓	✓	✓	✓		✓	✓	✓	✓		✓

Name of Director	Industry knowledge & Innovation	Financial Expertise	Risk Management	Legal Compliance	Sales and Marketing	Strategy	Technology & Networks	Corporate Governance	Sustainability	Human Resource Development	General Management
Mr. Arun Adhikari			✓	✓	✓	✓		✓	✓	✓	✓
Mr. Ashwani Windlass	✓	✓		✓		✓	✓	✓			✓
Ms. Neena Gupta				✓				✓	✓	✓	✓
Mr. Krishna Ramachandran		✓		✓	✓	✓		✓	✓	✓	✓
Mr. Suresh Vaswani		✓	✓		✓	✓	✓	✓		✓	✓
Mr. Arun Thiagarajan	✓	✓	✓	✓	✓	✓	✓	✓			✓

A brief profile of the Directors are as under:

**Mr. Kumar Mangalam Birla** is the Chairman of the \$48.3 billion multinational Aditya Birla Group, which operates in 36 countries across six continents. He is a Chartered Accountant and holds an MBA degree from the London Business School.

Mr. Birla chairs the Boards of Hindalco Industries Limited, Grasim Industries Limited, Aditya Birla Capital Limited and Century Textiles and Industries Limited.

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

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

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

Vodafone Group entered the Indian market. He has held a number of senior roles in Strategy and Business Development and he was CEO of the Enterprise business.

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

**Mr. Himanshu Kapania** an alumnus of IIM, Bangalore (1988-1990) and Birla Institute of Technology, Mesra (1979-83), was former Managing Director (2011 to 2018) of erstwhile Idea Cellular Limited, renamed Vodafone Idea Limited (VIL) after merger with Vodafone India, is presently on the VIL Board as 'Non-Executive Director'. Mr. Kapania was appointed 'Vice Chairman' of Aditya Birla Fashion & Retail Limited in January 2020. He also serves as 'Non-Executive Board Member of Celcom Axiata', a listed Telecom Company in Malaysia. He has 34 years of rich work experience in Management, Leadership, Technology, Operations, Sales & Marketing, Regulation & Policy advocacy, etc., with deep understanding of Indian consumers, media and society across Automobile, Consumer Durables, Office Automation, Telecom & Digital Services industries. His tryst with the Indian telecom sector dates back to over two decades. He has been a key contributor to the accelerated growth of the sector while assisting political leadership, regulator and key policy creators in formulating India's Telecom & Digital Services regulations, policies and processes. He is the current Chairman of FICCI Council on 'Telecom, Electronics and Digital Economy' (TED Council).



**Mr. Vivek Badrinath** is a Graduate of Ecole Polytechnique and Ecole Nationale Supérieure des Télécommunications (ENST). He joined Vodafone and the Executive Committee as CEO of AMAP in October 2016. He oversees Vodafone's operations in the Vodacom Group, India, Australia, Egypt, Ghana, Kenya, New Zealand and Turkey. He was previously associated with Accor Hotels as Deputy Chief Executive responsible for marketing, digital solutions, distribution and information systems. He has served as Deputy Chief Executive having a long career in Telecommunications, Technology and Enterprise Services within Orange. Between 2000 and 2004 he ran the Indian operations of Thomson. He was a Board member of Nokia between 2014 and 2016.

**Mr. Thomas Reisten** has completed his Post Graduate studies at the University of Muenster, majoring in Accounting and International Markets Management. He is a member of the Finance Leadership Team with Vodafone Group Plc, UK. He has been appointed as Regional Finance Director for the AMAP (Africa, Middle East & Asia Pacific) region. He joined Vodafone Germany in March 1998 and has since served in various leadership positions across markets, including as CFO of Vodafone India from April 2014 to January 2018 and Vodafone Ireland from December 2010 to December 2013.

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

**Mr. Ashwani Windlass** is a gold medalist in B. Com from Punjab University, Chandigarh; where he also obtained a Graduation in Journalism (B.J.). He holds an MBA from Faculty of Management Studies, University of Delhi. He is a leading strategy, telecom and technology professional, currently engaged in advisory/mentoring roles at the Board/CEO level, after over four decades of wide management experience. Mr. Windlass has been the Founder Jt. Managing Director of Max India Limited, Founder Managing Director of Hutchison Max Telecom (since rechristened as Vodafone Idea Limited) and Vice Chairman & Managing Director of Reliance Telecom Limited. Apart from being Chairman SA & JVs, MGRM Inc., USA and Chairman of Bata India Limited, he also serves on the Boards of Hitachi MGRM Net Limited, Hindustan Media Ventures Limited & Jubilant Foodworks Limited, among others.

**Ms. Neena Gupta** is a law graduate from Delhi University and has a management degree in Marketing and HR from Fore

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

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

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

**Mr. Arun Thiagarajan** holds a Bachelor of Arts degree from Uppsala University, Sweden and a master's degree of engineering in Electro technology from Royal University of Technology, Stockholm. He has also attended the advanced management program of the Graduate School of Business Administration, Harvard University. He has previously served as the Managing Director of Asea Brown Boveri Limited, as the Vice Chairman of Wipro Limited and as President of Hewlett-Packard India Private Limited. He also serves as an Independent Director on the Board of various companies. He has extensive experience in the field of Sales and Marketing, Strategy Planning, Electrical Engineering and Industrial Manufacturing.

#### Board Meetings and Procedure

The tentative annual calendar of meetings is determined at the beginning of each year. The Board meets at regular intervals to discuss and decide on Company / business policy and strategy

apart from other Board businesses. In case of urgent business exigencies some resolutions are also passed by circulation, as permitted by law, which is noted in the subsequent Board Meeting. Time gap between two consecutive meetings does not exceed 120 days. Video / tele-Conferencing facilities are also used to facilitate Directors travelling or located at other locations to participate in the Meetings.

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

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

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

Board/Committee meetings are communicated to the concerned departments promptly. A copy of the signed minutes certified by the Company Secretary are circulated to all Directors of the Board within 15 days after the same are signed.

During the Financial Year 2019-20, the Board met fourteen times i.e. on May 13, 2019, July 26, 2019, August 19, 2019, October 24, 2019, November 14, 2019, January 20, 2020, February 13, 2020, February 14, 2020, February 15, 2020, February 17, 2020, March 02, 2020, March 04, 2020, March 05, 2020 and March 14, 2020. The intervening gap between any two Board Meetings did not exceed 120 days.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting (i.e. Annual General Meeting for Financial Year 2018-19 was held on August 27, 2019) are as under:

Name of Director	No. of Board Meetings held during the tenure		Attended Last AGM (Yes/No)
	Held	Attended*	
Mr. Kumar Mangalam Birla	14	6	No
Mr. D. Bhattacharya	14	11	Yes
Mr. Himanshu Kapania	14	13	Yes
Mr. Thomas Reisten	14	11	No
Mr. Ravinder Takkar	14	13	Yes
Mr. Vivek Badrinath	14	9	No
Mr. Arun Adhikari	14	11	Yes
Mr. Arun Thiagarajan	14	13	No
Mr. Ashwani Windlass	14	14	Yes
Mr. Krishnan Ramachandran	14	11	Yes
Ms. Neena Gupta	14	12	No
Mr. Suresh Vaswani	14	13	No

\*Meetings attended by means of permissible audio-video participation are considered.

#### Induction and Familiarization program for Board Members

A formal letter of appointment together with the Induction kit is provided to the Independent Directors, at the time of their appointment, setting out their role, functions, duties and responsibilities. The criteria, terms and conditions for appointment of Independent Directors of the Company is placed on the website [www.vodafoneidea.com](http://www.vodafoneidea.com). The Directors are familiarized with your Company's business and operations and interactions are held between the Directors and senior management of your Company. Directors are familiarized with the organizational set-up, functioning of various departments,

internal control processes and relevant information pertaining to the Company. Apart from the above, periodic presentations are also made at the Board / Committee meetings to familiarize the Directors with the Company's strategy, business performance, business environment, regulatory framework, operations review, risk management and other related matters.

The details of familiarization programs are posted on the website of the Company viz. [www.vodafoneidea.com](http://www.vodafoneidea.com).

### Independent Director Databank Registration

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

### Meeting of Independent Directors

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

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

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

### Performance Evaluation of Board

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a formal evaluation mechanism is in place for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation was done based on the criteria which includes, amongst others, providing strategic perspective, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability and independent judgment etc. The Directors expressed their satisfaction with the evaluation process and the performance of the Board as a whole. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees.

### Code of Conduct for Board Members and Senior Management

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

### Declaration affirming compliance of Code of Conduct

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

A declaration signed by the Managing Director and Chief Executive Officer affirming the compliance with the Code of Conduct by the Board Members and Senior Management Personnel of the Company for the Financial Year ended March 31, 2020 is attached and forms part of this Report.

## 2. COMMITTEES OF THE BOARD

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

As of March 31, 2020, the Board has the following Committee(s) constituted for better and focused attention on various affairs of the Company:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders Relationship Committee;
- (d) Corporate Social Responsibility Committee;
- (e) Risk Management Committee;
- (f) Capital Raising Committee; and
- (g) Finance Committee.

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

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

#### A. Audit Committee

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

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

#### Terms of reference

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors.
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any Related Party Transactions; and
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (Public Issue, Rights Issue, Preferential Issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
11. Valuation of undertakings or assets of the Company, wherever it is necessary.
12. Evaluation of internal financial controls and risk management systems.
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. Discussion with internal auditors of any significant findings and follow-up thereon.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
17. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. To review the functioning of the Whistle Blower mechanism.



20. Approval of appointment of Chief Financial Officer (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
21. Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
23. To review:
  - a. Management Discussion and Analysis of financial condition and results of operations;
  - b. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the Statutory Auditors, if any;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

In addition to reviewing financial results on quarterly basis, Audit Committee Meetings are also convened for reviewing Internal Audit reports pertaining to various functions and also for reviewing the implementation of Internal Financial Control framework. The Company has appropriate internal control systems for business processes, covering operations, financial reporting and compliance with applicable laws and regulations. Regular internal audits and management reviews ensure that the responsibilities are executed effectively. The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them, as appropriate.

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

### Composition, Meetings and Attendance

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. As on March 31, 2020, the Audit Committee comprises of six members, of which four members, including the Chairman, are Independent Directors and two members are Non-Executive Non-Independent Directors. All the members of the Audit Committee possess requisite accounting and financial management expertise. The Company Secretary acts as the Secretary to the Committee.

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

During the Financial Year 2019-20, seven meetings of the Audit Committee were held on May 13, 2019, July 25, 2019, August 19, 2019, November 11, 2019, November 14, 2019, February 13, 2020 and March 2, 2020. The intervening gap between two Meetings did not exceed 120 days. The composition of the Audit Committee and the attendance of the members at the meetings held during the year are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Ashwani Windlass (Chairman)	Independent	7	7
Mr. Arun Thiagarajan	Independent	7	6
Mr. D. Bhattacharya	Non-Executive	7	7
Mr. Thomas Reisten	Non-Executive	7	6
Mr. Krishnan Ramachandran	Independent	7	7
Mr. Suresh Vaswani	Independent	7	7

There were no changes in the composition of the Audit Committee during the year under review. All the recommendations made by the Audit Committee were accepted by the Board.

### B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been entrusted with role of formulating criteria for determining the qualifications, positive attributes and independence of the Directors as well as identifying persons who are qualified to become Directors and persons who may be appointed at senior management levels and also devising a policy on remuneration of Directors, Key Managerial



Personnel and other senior employees. The Committee also monitors and administers the Company's Employee Stock Option Scheme(s) (ESOPs). The Nomination and Remuneration Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the Listing Regulations.

### Terms of reference

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

- set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and senior management of the quality required to run your Company successfully;
- set the relationship of remuneration to performance;
- check whether the remuneration provided to Directors and senior management includes a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of your Company and its goals;
- formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior management and recommend the same to the Board;
- review and implement succession and development plans for Managing Director, Executive Directors and senior management;
- devise a policy on Board diversity;
- formulate the criteria for determining qualifications, positive attributes and independence of Directors; and
- to supervise and monitor the process of issuance/ grant/ vesting/ cancellation of ESOPs and such other instruments as may be decided to be granted to the employees of the Company/ Subsidiary Company, from time to time, as per the provisions of the applicable laws, more particularly in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

### Composition, Meetings and Attendance

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2020, Committee comprises of four Non-Executive Directors, two of them are Independent Directors including the Chairman. The Company Secretary acts as a Secretary to the Committee.

During the Financial Year 2019-20, four meetings of the Nomination and Remuneration Committee were held on May 13, 2019, July 25, 2019, August 19, 2019 and November 14, 2019.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings held during the Financial Year 2019-20 are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Arun Adhikari (Chairman)	Independent	4	3
Mr. Himanshu Kapania	Non-Executive	4	4
Mr. Suresh Vaswani	Independent	4	4
Mr. Vivek Badrinath	Non-Executive	4	3

There were no changes in the composition of the Nomination and Remuneration Committee during the year under review. All the recommendations made by the Committee were accepted by the Board.

### Performance Evaluation Criteria for Independent Directors

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

### Nomination & Remuneration Policy

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

The remuneration policy is available on the website of the Company [www.vodafoneidea.com](http://www.vodafoneidea.com).

### Remuneration of Directors

#### (i) Remuneration to the Executive Directors

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

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

#### I. Details of the Managerial Remuneration paid to the Executive Directors during Financial Year 2019-20 is as under:

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration during 2019-20			
			All elements of remuneration package i.e. salary, allowances and other benefits etc.	Fixed component & performance linked incentives along with performance criteria	Service Contract, notice period, severance fees	Stock Option details, if any
Mr. Ravinder Takkar	None	Managing Director and Chief Executive Officer		See Note 1 below		See Note 2 below

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

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

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

#### (ii) Remuneration to Non-Executive/Independent Directors

Only Independent Directors are paid remuneration by way of sitting fees, which is ₹ 1,00,000/- per Board Meeting and ₹ 50,000/- per Committee Meeting attended by them, which is well within the limits prescribed under Companies Act, 2013 ('the Act'). The Commission/ Remuneration payable to all the Non- Executive Directors (including Independent Directors) is decided by the Board of Directors on the basis of recommendation of the Nomination and Remuneration Committee, subject to the overall approval by the members of the Company. In view of Net loss incurred by the Company for Financial Year ended March 31, 2020, no Commission has been approved by the Board for Financial Year 2019-20.

Non-Executive Directors (including Independent Directors) are also entitled to reimbursement of expenses incurred in performance of the duties as Directors and Members of the Committees.

The details of the sitting fees paid to Independent Directors for the Financial Year ended March 31, 2020 are as follows:

Name of Independent Director	Sitting Fees paid for FY 2019-20 (in ₹)
Mr. Arun Adhikari	15,00,000
Mr. Arun Thiagarajan	14,50,000
Mr. Ashwani Windlass	19,00,000
Mr. Krishnan Ramachandran	16,50,000
Ms. Neena Gupta	15,00,000
Mr. Suresh Vaswani	18,50,000

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

#### (iii) Details of Shareholding of Non-Executive Directors

The details of shareholding of Directors as on March 31, 2020 are as under:

Name of Director	No. of Equity Shares <sup>#</sup>
Mr. Kumar Mangalam Birla	8,64,906
Mr. D. Bhattacharya	20,401
Mr. Arun Thiagarajan	28,542
Mr. Himanshu Kapania	27,06,276

<sup>#</sup>Shares held singly or as a first shareholder are only considered.

#### C. Stakeholders Relationship Committee

The Company has in place a Stakeholders' Relationship Committee which look into various aspects of interest of shareholders, debenture holders and other security holders. The Committee monitors redressal of complaints of shareholders, debenture holders and other security holders relating to transfer / transmission of shares, non-receipt of annual report, dividend payment, issue of duplicate share certificates and other related complaints. In addition, the Committee also monitors other issues including status of Dematerialisation/ Rematerialisation of shares issued by the Company. The role of the Committee also includes evaluating performance and service standards in respect of services rendered by the Registrar and Share Transfer Agent.

#### Composition, Meetings and Attendance

The composition of Stakeholders' Relationship Committee is in conformity with the provisions of Companies Act, 2013 and Regulation 20 of the Listing Regulations. As on March 31, 2020,

the Committee comprises of four members namely, Mr. D. Bhattacharya (Non-Executive) as Chairman, Ms. Neena Gupta (Independent), Mr. Ravinder Takkar (MD & CEO) and Mr. Himanshu Kapania (Non-Executive). The Company Secretary acts as a Secretary to the Committee. During the Financial Year 2019-20, the Stakeholders' Relationship Committee met twice on May 13, 2019 and November 14, 2019 and the said meetings were attended by all the members of the Committee.

#### Compliance Officer

Mr. Pankaj Kapdeo, Company Secretary, acts as the Compliance Officer of the Company. The Compliance Officer briefs the Committee on the grievances/queries of the investors and the steps taken by the Company for redressing their grievances. He is responsible for complying with the provisions of the Listing Regulations, requirements of securities laws and SEBI Insider Trading Regulations. The Compliance Officer can be contacted at:

Vodafone Idea Limited  
Birla Centurion, 10th Floor, Century Mills Compound,  
Pandurang Budhkar Marg, Worli, Mumbai – 400 030  
Tel: +91-9594003434, Fax: +91-22-26527080  
Email: shs@vodafoneidea.com

#### Investor Grievances Redressal Status

During the Financial Year 2019-20, the complaints and queries received from the shareholders were relating to Rights Issue mainly concerning non-receipt of application form, non-receipt of shares and non-receipt of refund. Few complaints were concerning non-receipt of Annual Reports etc. There were 6 complaints pending to be resolved as at the end of March 31, 2020.

The number of investor complaints are relatively high compared in the current Financial Year, due to the Rights Issue undertaken by the Company in April – May 2019. The status of Investors' Complaints as on March 31, 2020, is as follows:

No. of complaints as on April 1, 2019	0
No. of complaints received during the Financial Year 2019-20	3952
No. of complaints resolved upto March 31, 2020	3946
No. of complaints pending as on March 31, 2020	6

To redress investor grievances, the Company has a dedicated email ID i.e. shs@vodafoneidea.com to which investors may send complaints.

#### D. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee is constituted in accordance with Section 135 of the Companies Act, 2013 and applicable rules thereto. The CSR

Committee evaluates and recommends to the Board the CSR activities to be undertaken and amount to be spent on CSR activities. The CSR Committee monitors the CSR policy from time to time.

As on March 31, 2020, the Committee comprised of four members, with majority Independent Directors. Ms. Neena Gupta, Independent Director is the Chairperson of the Committee. Mr. Arun Adhikari (Independent), Mr. Krishnan Ramachandran (Independent) and Mr. Ravinder Takkar (MD & CEO) are other members of the Committee. Mr. P Balaji (Chief Regulatory & Corporate Affairs Officer and CSR Head) is the permanent invitee to all the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee. During the Financial Year 2019-20, the Committee met on May 13, 2019, November 14, 2019, January 15, 2020 and February 13, 2020.

The attendance of the members of the Committee is as follows:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Ms. Neena Gupta (Chairperson)	Independent	4	4
Mr. Arun Adhikari	Independent	4	3
Mr. Krishnan Ramachandran	Independent	4	4
Mr. Ravinder Takkar	MD & CEO	4	3

The Ministry of Corporate Affairs – CSR Cell vide its letter dated April 9, 2019 directed the Company to spend the unspent CSR amount for Financial Year 2015-16 and Financial Year 2016-17, aggregating to ₹ 72.72 crore in 8 equal quarterly instalments, commencing from the quarter beginning April – June 2019. The Company has been spending the amount of ₹ 9.09 crore every quarter towards the CSR activities since April – June, 2019 quarter.

The details of CSR activities undertaken in Financial Year 2019-20 are provided in the Boards' Report. The focus areas for Company's CSR activities were health care, education, sustainable livelihood, infrastructure development and social change. The Annual Report on the CSR activities for the Financial Year ended March 31, 2020 is attached as 'Annexure B' to the Board's Report. Corporate Social Responsibility Policy of the Company is available on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com).

#### E. Risk Management Committee

In compliance with the requirements of Regulation 21 of the Listing Regulations, the Board has duly constituted the Risk Management Committee. The Committee's prime

responsibility is to frame, implement and monitor the Enterprise Risk Management framework for the Company. The Committee reviews and monitors the risk management plan and ensures its effectiveness. As on March 31, 2020 the Committee comprised of four members – two Non-Executive Directors and two Independent Directors. Mr. Himanshu Kapania (Non-Executive) is the Chairman of the Committee and Mr. Thomas Reisten (Non-Executive), Mr. Arun Adhikari (Independent) and Mr. Ashwani Windlass (Independent) are other members of the Risk Management Committee. The Managing Director and the Chief Financial Officer are permanent invitees to the meetings. The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2019-20, the Risk Management Committee met twice on July 16, 2019 and November 14, 2019 and the said meetings were attended by all the members of the Committee.

#### F. Capital Raising Committee

Your Board constituted a Capital Raising Committee to evaluate various modes of equity issuance for raising further funds of upto ₹ 25,000 crore such as Rights Issue / Qualified Institutions Placement / Preferential Issue etc. The Capital Raising Committee comprised of Mr. D. Bhattacharya as the Chairman of the Committee and Mr. Ravinder Takkar, Mr. Ashwani Windlass and Mr. Arun Thiagarajan as the members of the Committee. The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Capital Raising Committee met once on May 04, 2019. The Meeting was attended by all the members of the Committee.

#### G. Finance Committee

The Company had a Finance Committee to approve matters relating to availing of financial / banking facilities and other treasury and banking related matters. Finance Committee looks into matters pertaining to fund and non-fund based borrowings, investments, working capital management besides other powers granted to it by the Board.

As on March 31, 2020, the Committee comprised of five members namely, Mr. D. Bhattacharya, Mr. Ravinder Takkar, Mr. Himanshu Kapania, Mr. Thomas Reisten and Mr. Akshaya Moondra (Chief Financial Officer). During the year, the Finance Committee met once on December 6, 2019 and the meeting was duly attended by all the members of the Finance Committee.

### 3. SUBSIDIARY COMPANIES

The subsidiary companies are managed by their individual Board of Directors. None of the subsidiary companies are material Indian non-listed subsidiary in terms of Regulation 16(c) of the Listing Regulations. The policy for determining material subsidiary is available on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com)

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies, including loans made by the Company in subsidiaries. The minutes of the subsidiary companies and significant developments of the unlisted subsidiary companies are periodically placed before the Board.

### 4. DISCLOSURES

#### a. Related Party Transactions

All contracts/arrangements/transactions entered by the Company with the related parties during the Financial Year as detailed in Note No. 57 of the Standalone Financial Statements were in ordinary course of business and at an arm's length basis and were approved by the Audit Committee under specific provisions of the Companies Act, 2013. None of the transactions with related parties were in conflict with the Company's interest. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc., which may have potential conflict with the interest of the Company at large. The details of arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions read with the Listing Regulations are disclosed in Form AOC – 2. Member's approval for material Related Party Transaction, as defined under the Listing Regulations, shall be obtained at the ensuing Annual General Meeting.

All Related Party Transactions are placed before the Audit Committee for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. In compliance with Listing Regulations, the necessary statements/disclosures with respect to the Related Party Transactions, are tabled before the Audit Committee and the Board of Directors on quarterly basis. The Company has implemented a Related Party Transaction manual and Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The details of the transactions with Related Parties are provided in the accompanying financial statements as required under Ind AS 24. In line with requirement of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, your Company has adopted a Policy on



Related Party Transactions which is available at Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com).

**b. Disclosure of Accounting Treatment**

In the preparation of standalone and consolidated financial statements, your Company has followed all the applicable Indian Accounting Standards and the generally accepted accounting principles in India.

**c. Details of non-compliance with regard to the Capital Markets**

There has been no instances of non-compliance by your Company and no penalties or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**d. Proceeds from Public Issues, Rights Issues, Preferential Issues etc.**

During the year, the Company has allotted 19,999,830,911 Equity Shares of face value of ₹ 10/- each by way of a Rights Issue at a price of ₹ 12.50 per Equity Share (including a premium of ₹ 2.50 per equity share) aggregating upto ₹ 249,997.89 Mn, on a rights basis to the eligible Equity Shareholders on May 4, 2019 in the ratio of 87 Equity Shares for every 38 Equity Shares held by the eligible equity shareholders on the record date, that is, April 2, 2019. The Company has been disclosing on a quarterly basis to the Audit Committee, the uses / application of proceeds / funds raised. As on March 31, 2020, entire money has been utilized towards the objects or purposes for which the funds were raised.

**e. Prevention of Insider Trading**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, your Company has adopted a 'Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities' of the Company ("the Insider Trading Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons (including Directors, Key Managerial Personnel and employees) of your Company are covered under the Insider Trading Code, which provides inter-alia for periodical disclosures and obtaining pre-clearances for trading in the securities of your Company.

The policy and the procedures are periodically revised from time to time and communicated to the Designated Persons. Trading window closure is intimated to all employees and to the Stock Exchanges in advance, whenever required.

The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**f. Whistle Blower Policy/ Vigil Mechanism**

Your Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees pursuant to which a Committee has been constituted for addressing complaints received from Directors and Employees concerning unethical behaviour, actual or suspected fraud and violation of Code of Conduct or ethics policy of your Company. The Policy provides adequate safeguards against victimization of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Your Company hereby affirms that no Director/ Employee has been denied access to the Chairman of the Audit Committee.

**g. Consolidated fees paid to Statutory Auditors**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity for Financial Year 2019-20 of which the Statutory Auditors are a part is as under:

Audit Fees	₹ 93.69 Mn
Certification and other services	₹ 23.53 Mn
Reimbursement of out-of-pocket expenses	₹ 15.38 Mn
<b>Total</b>	<b>₹ 132.60 Mn</b>

**h. Compliance with the Mandatory Corporate Governance Requirements as prescribed under the Listing Regulations**

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulations 46 of the Listing Regulations. The Company has obtained a certificate affirming the compliances from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, the Company's Statutory Auditors and the same is appended as an Annexure to this Report.

**i. Details of Compliances with the Non-mandatory Corporate Governance as prescribed under the SEBI (LODR) Regulations, 2015**

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements as prescribed in Regulation 27 of the Listing Regulations:

- The position of the Chairman of the Board and the Chief Executive Officer of the Company are held by separate individuals.



- Your Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance is made available to enable him to discharge his responsibilities effectively.
- The statutory financial statements of your Company are unqualified.
- The quarterly results along with the press release, as approved by the Board are first submitted to the Stock Exchanges. The same are then uploaded on the website of the Company [www.vodafoneidea.com](http://www.vodafoneidea.com). On the next day of the announcement of the quarterly results, an earnings call is organised, where the management responds to the queries of the investors/ analysts. These calls are webcast live and transcripts thereof are posted on the website.
- The internal auditor directly reports to the Audit Committee.

**j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a. number of complaints filed during the Financial Year - 8
- b. number of complaints disposed off during the Financial Year - 8
- c. number of complaints pending as on end of the Financial Year - 0

**9. GENERAL BODY MEETINGS**

The details pertaining to last three Annual General Meetings of the Company are provided:

FY	Date	Time	Venue	Particulars of Special Resolution(s)
2018-19	August 27, 2019	12:30 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No. 22-24, Near GIDC, Opposite Hillwoods School, Sector 25, Gandhinagar – 382 044, Gujarat	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Arun Thiagarajan as an Independent Director of the Company for another term of three years.</li> <li>2. Approval of Amendment to Articles of Association of the Company.</li> </ol>
2017-18	December 22, 2018	12.30 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No. 22-24, Near GIDC, Opposite Hillwoods School, Sector 25, Gandhinagar – 382 044, Gujarat	<ol style="list-style-type: none"> <li>1. To approve and adopt Vodafone Idea Limited Employee Stock Option Scheme 2018.</li> </ol>

**5. MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed report on Management Discussion and Analysis forms part of the Annual Report.

**6. CEO / CFO CERTIFICATION**

As required under Regulation 17(8) of the Listing Regulations, certificate duly signed by the CEO/ CFO of the Company is appended as an Annexure to this Report.

**7. REPORT ON CORPORATE GOVERNANCE**

This Corporate Governance Report forms part of the Annual Report. The Company is in compliance with the Corporate Governance requirements specified under Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

**8. COMPLIANCES**

- (a) A certificate from the Company's Statutory Auditors M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, affirming compliance with the conditions of the Corporate Governance as stipulated under Regulation 34 read with Schedule V (E) of the Listing Regulations is appended as an Annexure to this report.
- (b) A certificate from M/s. Umesh Ved & Associates, Practicing Company Secretaries, as required under the Listing Regulations confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority is appended as Annexure to this report.
- (c) During the year under review, the Board has accepted the recommendations made by the various Board Committees constituted.

FY	Date	Time	Venue	Particulars of Special Resolution(s)
				<ol style="list-style-type: none"> <li>Extension of benefits of Vodafone Idea Limited Employee Stock Option Scheme 2018 to the employees of holding / subsidiary company(ies).</li> <li>Use of trust route for implementation of Vodafone Idea Limited Employee Stock Option Scheme 2018.</li> <li>Appointment of Mr. Balesh Sharma as Chief Executive Officer of the Company.</li> </ol>
2016-17	June 30, 2017	4.00 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No. 22-24, Near GIDC, Opposite Hillwoods School, Sector 25, Gandhinagar – 382 044, Gujarat	<ol style="list-style-type: none"> <li>Issue of Non-Convertible Securities on private placement basis.</li> <li>Waiver of Recovery of Excess Managerial Remuneration paid to Mr. Himanshu Kapania, Managing Director for the period April 1, 2016 to March 31, 2017.</li> <li>Payment of Remuneration to Mr. Himanshu Kapania, Managing Director of the Company for the period April 1, 2017 to March 31, 2019.</li> <li>Payment of Remuneration to Mr. Akshaya Moondra, Whole-Time Director and Chief Financial Officer for the period from July 8, 2016 to March 31, 2019.</li> <li>Alteration of Articles of Association of the Company.</li> </ol>

#### Extra-ordinary General Meeting

There were no Extra-ordinary General Meeting held during the Financial Year 2019-20.

#### Tribunal Convened Meetings

A meeting of the Equity Shareholders was held on June 6, 2019 pursuant to the Order of the Hon'ble Bench of National Company Law Tribunal, Ahmedabad Bench:

FY	Date	Time	Venue	Particulars of Special Resolution(s)
2019-20	June 6, 2019	10.30 a.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School, Sector 25, Gandhinagar –382 044, Gujarat.	Approval of the Scheme of Arrangement between Vodafone Idea Limited and Vodafone Towers Limited

#### Postal Ballot

There was no Special Resolution passed through Postal Ballot during the Financial Year 2019-20. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

#### 10. MEANS OF COMMUNICATION

##### Quarterly Results, Presentation and News Releases

The Company's quarterly financial results, presentation made to Institutional Investors/Analysts, quarterly reports, official news releases and other general information

about the Company sent to the Stock Exchanges and are also uploaded on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com)

The Company's quarterly financial results are published in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of the State of Gujarat where the Registered Office of the Company is situated. The quarterly financial results during the Financial Year 2019-20, were published in Business Standard (all editions) and Western Times (a regional daily published in Gandhinagar, Gujarat).

At the end of each quarter, the Company organizes earnings call with the analysts and investors and the transcripts of the same are thereafter uploaded on the website of the Company.

#### Website

The Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com) has a dedicated section for Investor Relations containing the Financial Results, Shareholding Pattern, Annual Reports, Quarterly Reports, Updates / Intimations filed with Stock Exchange(s), various policies adopted by the Board.

#### NSE Electronic Application Processing System (NEAPS) and BSE Portal for Electronic filing

All periodical compliance filings, like Shareholding Pattern, Corporate Governance Report, Media Releases and other material information is filed electronically on the designated portals (NEAPS and BSE Listing Centre).

### GENERAL SHAREHOLDERS' INFORMATION

#### 1. Annual General Meeting

Day and Date	: Wednesday, September 30, 2020
Time	: 2:30 p.m. (IST)
Venue	: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020

#### 2. Financial Calendar for 2020-21 (Tentative)

Financial reporting for the quarter ending June 30, 2020	: By August 15, 2020
Financial reporting for the quarter ending September 30, 2020	: By November 14, 2020
Financial reporting for the quarter ending December 31, 2020	: By February 14, 2021

Financial reporting for the year ending March 31, 2021 : By May 15, 2021

Annual General Meeting for the Financial Year 2020-21 : August, 2021

3. **Book Closure Date** : September 23, 2020 - September 30, 2020 (both days inclusive)

4. **Dividend** : Nil

5. **Dividend Payment Date** : Not Applicable (Since no Dividend is recommended for FY 2019-20)

6. **Registered Office** : Suman Tower, Plot No. 18, Sector - 11, Gandhinagar – 382 011, Gujarat  
Tel: +91-79-66714000  
Fax: +91-79-23232251

#### 7. Listing Details

The Equity Shares of the Company are listed on the following Stock Exchanges:

Name of Stock Exchanges	
National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

*The Annual Listing fees for the Financial Year 2020-21 has been paid to the above Stock Exchanges.*

#### 8. Stock Codes

Name of Stock Exchanges	Stock Code	Reuters	Bloomberg
BSE Limited	532822	VIL.BO	VIL IN
National Stock Exchange of India Limited	VIL	VIL.NS	NVIL IN

#### 9. Debt Securities

The Non-Convertible Debentures issued by the Company are listed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited. However, certain Non-Convertible Debentures raised by erstwhile Vodafone Mobile Services Limited, which has since been amalgamated with the Company are unlisted. The Debt Listing Fees has been paid to National Stock Exchange of India Limited.

## 10. Stock Price Data

The monthly high and low prices and volume of shares of the Company at the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the Financial Year 2019-20 are as under:

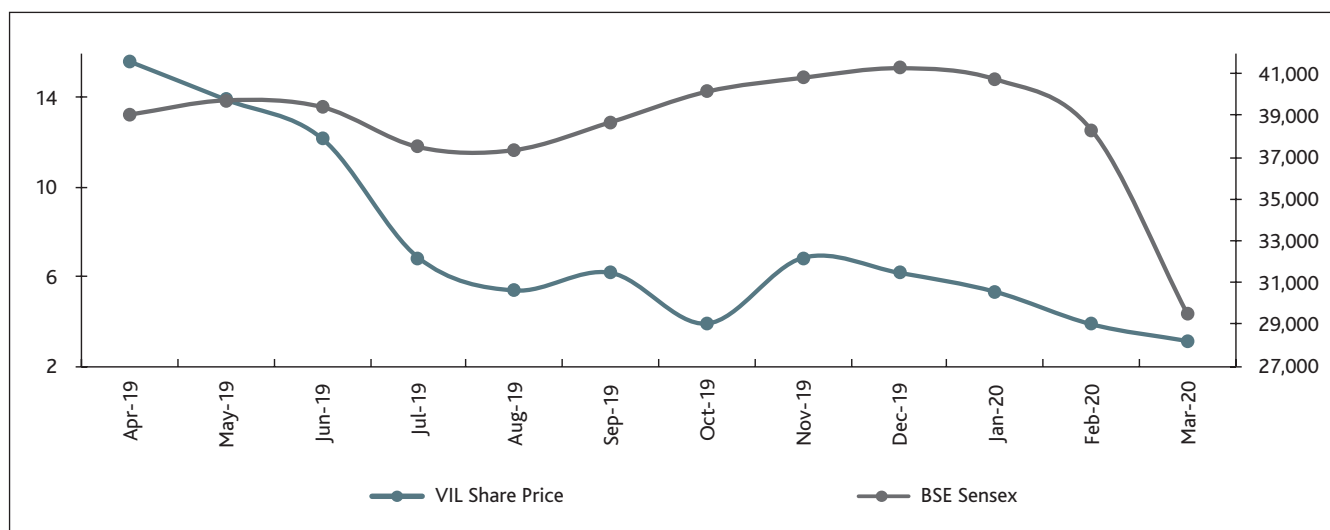
Month	BSE Limited				National Stock Exchange of India Limited			
	High (in ₹)	Low (in ₹)	Close (in ₹)	Avg. Vol. (in Nos.)	High (in ₹)	Low (in ₹)	Close (in ₹)	Avg. Vol. (in Nos.)
April, 2019	18.3	14.95	15.6	4,450,877	18.25	14.90	15.45	69,314,779
May, 2019	17.1	11.55	13.9	7,660,818	17.15	11.50	13.95	139,513,843
June, 2019	14.39	11.14	12.16	4,197,527	14.40	11.10	12.20	49,994,342
July, 2019	13.15	6.04	6.84	24,830,734	13.15	6.00	6.85	99,976,455
August, 2019	6.92	4.83	5.37	24,122,522	6.95	4.80	5.35	143,814,266
September, 2019	6.44	4.84	6.16	15,759,636	6.45	4.80	6.15	114,651,332
October, 2019	6.87	3.31	3.89	28,651,692	6.90	3.30	3.90	232,825,270
November, 2019	8.13	2.61	6.83	72,320,458	8.15	2.40	6.85	562,582,634
December, 2019	8.49	5.77	6.16	37,953,890	8.80	5.75	6.15	343,499,405
January, 2020	6.65	3.66	5.31	33,964,417	6.65	3.65	5.3	240,292,344
February, 2020	5.5	2.83	3.86	66,303,297	5.55	2.80	3.85	426,408,804
March, 2020	6.75	2.91	3.11	67,345,521	7.20	2.70	3.1	547,608,457

Source: BSE and NSE Website

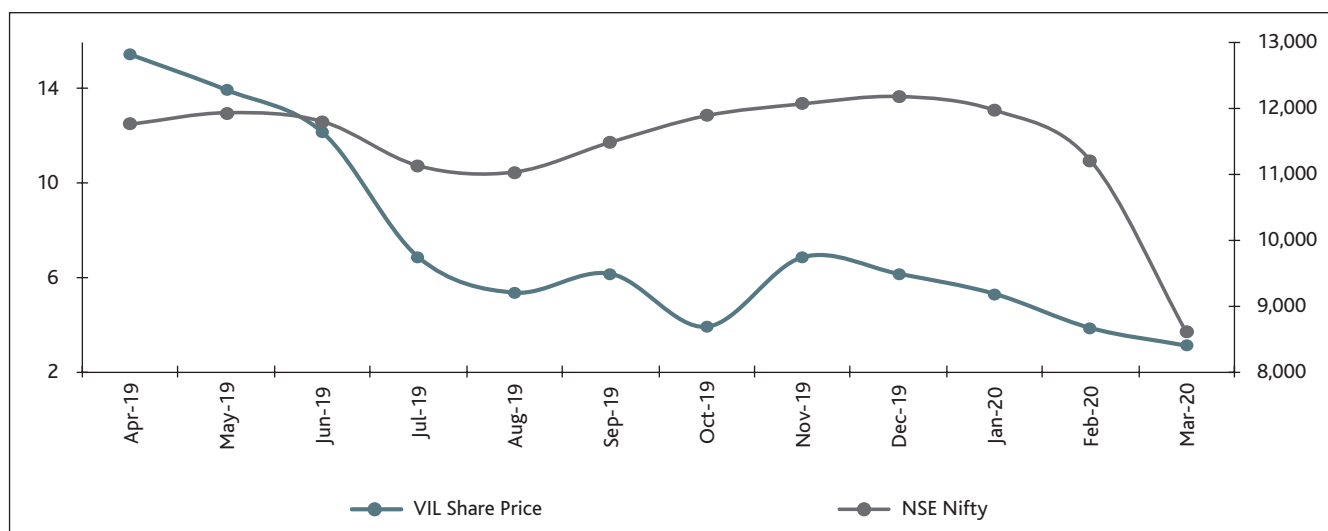
## 11. Stock Performance

The performance of the Company's share price vis-à-vis the broad based BSE and NSE indices during the Financial Year 2019-20 are as under:

### (a) Comparison of the Company's share price with BSE Sensex



## (b) Comparison of the Company's share price with NSE Nifty

**12. Registrar and Share Transfer Agents**

M/s. Bigshare Services Pvt. Ltd.  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East),  
Mumbai-400059

**13. Debenture Trustees**

M/s. IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Building, Ballard Estate, Mumbai – 400 001	Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited) 83 - 87, 8th Floor, 'B' Wing, Mittal Tower, Nariman Point, Mumbai - 400021
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**14. Share Transfer System**

More than 99.99% of the equity share capital of the Company is held in Demat form. Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company. Transfer of shares in physical form is normally processed within a period of 12 working days from the date of the lodgement, subject to documents being valid and complete in all respects. All transfers are first processed by the Registrar and Share Transfer Agent and are submitted to the Company for approval thereafter. During the year under review, no request for physical transfer was received. Company also obtains half yearly certificate from a Practicing Company Secretary confirming compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and same is filed with the Stock Exchanges.

**15. Distribution of Shareholding**

The distribution of shareholding of the Company as on March 31, 2020 is as follows:

Category (by No. of Shares)	Number of Share-holders	% to total Share-holders	No. of Shares held	% to total Share-holding
Upto 5000	706,772	89.85	531,140,410	1.85
5001 – 10000	35,408	4.50	276,997,683	0.96
10001 – 20000	20,200	2.57	300,405,839	1.05
20001 – 30000	7,865	1.00	199,644,024	0.69
30001 – 40000	3,660	0.46	130,339,901	0.45
40001 – 50000	2,967	0.38	139,671,875	0.49
50001 – 100000	5,243	0.67	393,152,812	1.37
100001 & above	4,473	0.57	26,764,036,696	93.14
<b>Total</b>	<b>786,588</b>		<b>28,735,389,240</b>	<b>100</b>

**16. Shareholding Pattern**

The Shareholding Pattern of the Company as on March 31, 2020 is as follows:

Sr. No.	Category	No. of Shares	% Shareholding
I.	<b>Promoter and Promoter Group</b>	20,703,918,082	72.05
II	<b>Public Shareholding</b>		
	<b>(a) Institutional Investors</b>		
	Foreign Portfolio Investors	2,533,265,802	8.82
	Mutual Fund / Venture Funds	1,304,870,738	4.54
	Financial Institutions / Banks	38,560,975	0.13
	Insurance Companies	385,061,786	1.34



Sr. No.	Category	No. of Shares	% Shareholding
<b>(b) Others</b>			
	Bodies Corporate (Foreign)	-	0.00
	Bodies Corporate (Indian)	326,983,281	1.14
	Non-Resident Indians	79,796,911	0.28
	Others	351,941,109	1.22
	Individuals	3,010,990,556	10.48
	<b>Total</b>	<b>28,735,389,240</b>	<b>100.00</b>

## 17. Dematerialisation of Shares and Liquidity

The Shares of the Company are compulsorily tradable in dematerialized form through both the Depository Systems in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). A total number of 28,735,379,345 Equity Shares of the Company constituting over 99.99% of the issued, subscribed and paid-up share capital were held in dematerialised form as on March 31, 2020. The ISIN for the Company's shares is INE669E01016.

The Company's Equity Shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

## 18. Outstanding GDRs/ADRs etc.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

## 19. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Your Company hedges its foreign currency exposure in respect of its imports and borrowings as per its laid down policies. Your Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps or a mix of all. The Company does not have any exposure to commodity price risks.

## 20. Plant Locations: The Company being a service provider, has no plant locations.

## 21. Investor Correspondence

In order to facilitate quick redressal of the grievances/queries, the Investors and Shareholders may contact the Company Secretary at the under mentioned new Corporate Office address for any assistance:

Mr. Pankaj Kapdeo  
Company Secretary  
Vodafone Idea Limited  
Birla Centurion, 10th Floor  
Century Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400 030  
Tel: +91-9594003434,  
Fax: +91-22-26527080  
E-mail: [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com)

## 22. Credit Ratings

The credit ratings outstanding for various instruments of the Company as on March 31, 2020 are as under:

Rating Agency	Instrument As on March 31, 2020	Rating
Care Ratings	Bank Facilities ( Long Term)	CARE BB- (Credit Watch with Negative Implications)
	Non-Convertible Debentures	CARE BB- (Credit Watch with Negative Implications)
Brickworks	Non-Convertible Debentures	BWR BB- (Rating Watch with Negative Implications)
India Ratings	Non-Convertible Debentures	IND B (Rating Watch with Negative Implications)
CRISIL	Non-Convertible Debentures	CRISIL B+ (Rating Watch with Negative Implications)

## 23. Other Useful Information

### (a) Unpaid / Unclaimed Dividend

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the dividend which remains unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall

also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Since, the Company declared its maiden dividend in September 2013 for Financial Year 2012-13, no unclaimed dividend was due for transfer to IEPF during the Financial Year 2019-20.

Pursuant to Section 124(5) of the Companies Act, 2013, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Financial Year	Date of Declaration of Dividend	Dividend Declared per share (in ₹)	Due for transfer to IEPF
2012-13	16/09/2013	0.30	21/10/2020
2013-14	26/09/2014	0.40	31/10/2021
2014-15	28/09/2015	0.60	02/11/2022
2015-16	29/09/2016	0.60	03/11/2023

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company or its Registrar, for obtaining payments thereof at least 20 days before they are due for transfer to the said fund.

Pursuant to the provisions of IEPF Rules, the Company has uploaded the details of un-paid and un-claimed amounts lying with the Company as on August 27, 2019 (date of last Annual General Meeting) on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com) and on the website of the Investor Education and Protection Fund Authority [www.iepf.gov.in](http://www.iepf.gov.in).

#### (b) E-Voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the Listing Regulations, members have been provided the facility to exercise their right to vote at

General Meetings by electronic means, through e-Voting Services provided by NSDL.

#### (c) Disclosure regarding appointment or re-appointment of Directors

Brief profile of the Directors seeking appointment or re-appointment is annexed to the Notice convening the 25th Annual General Meeting forming part of this Annual Report.

#### (d) Details of unclaimed shares in terms of Regulation 39 of the Listing Regulations

In terms of Regulation 39(4) of the Listing Regulations, the details in respect of Equity Shares lying in the suspense accounts which were issued in Demat form pursuant to the Initial Public Offer (IPO) of the Company in the year 2007 as well as Rights Issue as concluded in May 2019 are as given below:

Particulars	No. of cases	No. of shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year i.e. as on April 1, 2019	73	16,822
(Add) Aggregate number of shareholders and the outstanding shares added in the suspense account during the Financial Year 2019-20 (Rights Issue)	167	3,38,812
<b>Total</b>	<b>240</b>	<b>3,55,634</b>
Number of shareholders who approached to the Issuer / Registrar for transfer of shares from suspense account during the Financial Year 2019-20	144	2,05,449
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2019-20	144	2,05,449
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year i.e. as on March 31, 2020	96	1,50,185

The Voting rights on the shares in the suspense account as on March 31, 2020 shall remain frozen till the rightful owners of such shares claim the shares. The Company sends periodic reminders to the concerned shareholders advising them to lodge their claims with respect to unclaimed shares.

## CEO/CFO Certification

To,  
The Board of Directors  
Vodafone Idea Limited

We, Ravinder Takkar, Managing Director & Chief Executive Officer and Akshaya Moondra, Chief Financial Officer, of **Vodafone Idea Limited** ('the Company'), to the best of our knowledge and belief, hereby certify that:

- a) We have reviewed the financial statements and cash flow statements of the Company for the year ended March 31, 2020 and:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year ended March 31, 2020, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and steps that have been taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee, wherever applicable:
  - i) Significant changes in the internal control over financial reporting during the year;
  - ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**Ravinder Takkar**  
Managing Director &  
Chief Executive Officer

**Akshaya Moondra**  
Chief Financial Officer

Date : June 30, 2020

Place: London

Place: Jodhpur

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## Declaration

As provided under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel of Vodafone Idea Limited have confirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2020.

**Ravinder Takkar**  
Managing Director & Chief Executive Officer

Date : June 30, 2020

Place: London

## Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vodafone Idea Limited having CIN: L32100GJ1996PLC030976 and having Registered Office at Suman Tower, Plot No.18, Sector-11, Gandhinagar - 382011, Gujarat (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Kumar Mangalam Birla	00012813	June 20, 2006
2	Mr. D. Bhattacharya	00033553	August 31, 2018
3	Mr. Himanshu Kapania	03387441	April 1, 2011
4	Mr. Ravinder Takkar*	01719511	August 31, 2018
5	Mr. Thomas Reisten	06900067	August 31, 2018
6	Mr. Vivek Badrinath	07319718	August 31, 2018
7	Mr. Arun Kumar Adhikari	00591057	August 31, 2018
8	Mr. Arun Kannan Thiagarajan	00292757	September 2, 2006
9	Mr. Ashwani Windlass	00042686	August 31, 2018
10	Mr. Krishnan Ramachandran	00193357	December 27, 2018
11	Ms. Neena Gupta	02530640	September 17, 2018
12	Mr. Suresh Choithram Vaswani	02176528	February 8, 2019

\* Designated as Managing Director and Chief Executive Officer w.e.f. August 19, 2019.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad  
 Date : June 30, 2020

**Umesh Ved**  
 Umesh Ved & Associates  
 Company Secretaries  
 FCS No.: 4411  
 C.P. No.: 2924

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### The Members of

#### Vodafone Idea Limited

1. The Corporate Governance Report prepared by Vodafone Idea Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the Financial Year ended March 31, 2020 as required by the Company for annual submission to the Stock Exchanges.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

- i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors w.r.t. Executive and Non-Executive Directors has been met throughout the reporting period;
- iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that atleast one woman director was on the Board of Directors throughout the year; and
- iv. Obtained and read the minutes of the following meetings held from April 1, 2019 to March 31, 2020:
  - (a) Board of Directors;
  - (b) Audit Committee;
  - (c) Annual General Meeting (AGM)
  - (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Risk Management Committee
  - (g) Finance Committee;
  - (h) Capital Raising Committee; and
  - (i) Corporate Social Responsibility Committee.
- v. Obtained necessary **representation and** declarations from Directors of the Company **including Independent Directors**;



- vi. Obtained and read the policy adopted by the Company for Related Party Transactions;
  - vii. Obtained the schedule of Related Party Transactions during the year and balances at the year end. Obtained and read the minutes of the Audit Committee Meeting where in such Related Party Transactions have been pre-approved prior by the audit committee;
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

#### Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**Nilangshu Katriar**

Partner

Membership Number: 58814

UDIN: 20058814AAAABV3214

Place : Mumbai

Date : June 30, 2020

## Business Responsibility Report

### About this Report

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates top 100 listed entities based on market capitalization on the BSE and NSE, to include Business Responsibility Report as part of the Annual Report describing the initiatives taken by the Companies from Environmental, Social and Governance perspectives.

This Business Responsibility Report, is as per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides general information about the Company and its business responsibility as required by SEBI.

The following five sections cover disclosures as per the SEBI suggested BRR framework:

### Section A: General Information about the Company

S. No.	Description	Information
1	Corporate Identity Number	L32100GJ1996PLC030976
2	Name of the Company	Vodafone Idea Limited ( <i>Formerly Idea Cellular Limited</i> )
3	Registered Address	Suman Tower, Plot No. 18, Sector 11, Gandhinagar - 382 011, Gujarat
4	Website	<a href="http://www.vodafoneidea.com">www.vodafoneidea.com</a>
5	Email Id	<a href="mailto:shs@vodafoneidea.com">shs@vodafoneidea.com</a>
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecommunications services Group: 9984 Class: 99841 Sub-class: 998413
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Vodafone Idea Limited is India's leading telecommunications services provider. The Company provides Pan-India Voice and Data services across 2G, 3G and 4G platforms. With the large spectrum portfolio to support the growing demand for data and voice, the Company is committed to deliver delightful customer experiences and contribute towards creating a truly 'Digital India' by enabling millions of citizens to connect and build a better tomorrow. The Company is developing infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings, conveniently accessible through an ecosystem of digital channels as well as extensive on-ground presence.
9	Total number of locations where business activity is undertaken by the Company:	
	i. Number of International Locations (provide details of major 5)	None
	ii. Number of National Locations	Company has its business activities and operations spread across the country.
10	Markets served by the Company – Local/State/National/International/	The Company serves the Indian markets.

## Section B: Financial Details of the Company

S. No.	Description	Information
1	Paid-up capital (INR)	The paid-up equity capital of the Company as on March 31, 2020 is ₹ 2,87,35,38,92,400/- comprising of 28,73,53,89,240 Equity Shares of ₹ 10/- each.
2	Total Turnover	₹ 458,011 Mn
3	Total Profit / (Loss) after taxes (INR)	₹ (731,315) Mn
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The average net profits calculated for last three financial years is negative. However, on the directive of the Ministry of Corporate Affairs the Board of the Company had passed a resolution to spend the unspent CSR obligation for Financial Years 2015-16 and 2016-17 in 8 equal quarters beginning from April – June 2019. In Financial Year 2019-20, the Company has spent ₹ 325.3 Mn towards CSR activities.
5	List of activities in which expenditure in 4 above has been incurred	<p>The CSR projects implemented during Financial Year 2019-20 are:</p> <ul style="list-style-type: none"> <li>– Jigyasa – Building Knowledge for Life</li> <li>– Health Entrepreneurs Diagnostic Tests</li> <li>– Financial Literacy - Jaddu Ginni Ka</li> <li>– Digital Village</li> <li>– Connecting for Goods</li> <li>– Smart Agri</li> <li>– Scholarship</li> <li>– Swachh Iconic Place, Somnath Temple under Swachh Bharat Mission</li> <li>– Girl Child Education – Vidya Har Beti Ka Adhikar</li> </ul> <p>Vodafone Idea's CSR program is focused on three major domains –</p> <ol style="list-style-type: none"> <li>1) Vidya - Education</li> <li>2) Swasthya - Health; and</li> <li>3) Aamdani - Sustainable livelihood.</li> </ol>

During the Financial Year 2019-20 the Company's CSR initiatives positively impacted the lives of around 28 lakh people across 18 states (Uttar Pradesh, Rajasthan, Gujarat, Maharashtra, Jharkhand, West Bengal, Karnataka, Telangana, Andhra Pradesh, Kerala, Tamil Nadu, Odisha, Uttarakhand, Goa, Delhi, Bihar, Madhya Pradesh and Chhattisgarh) through multiple initiatives undertaken in these areas.

## Section C: Other Details

S. No.	Description	Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has eleven subsidiary companies, the details of which have been provided in the Directors' Report.
2	Do the Subsidiary Company/ Companies participate in the Business Responsibility initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	<p>The Company engages and positively encourages its subsidiary companies to participate in its Business Responsibility initiatives. The Company's own comprehensive Code of Conduct policy guides all its subsidiaries and makes sure that they adhere to the highest levels of ethical and transparent business practices.</p> <p>Yes, one subsidiary company participated in BR activities.</p>
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business which participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company while onboarding its suppliers ensures alignment and compliance to all Business Responsibility (BR) expectations of Vodafone Idea. Further, they are encouraged to follow the concept of being a responsible business entity. Compliance with respect to Supplier Code of Conduct, Vodafone Idea policies like IT Security, Data Privacy, HSW (Health Safety & Welfare) - 100% compliance commitment is taken from every Supplier before onboarding and also for Supplier code extension in SAP ERP.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

#### a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	01719511
Name	Mr. Ravinder Takkar
Designation	Managing Director & Chief Executive Officer

#### b) Details of BR head

S. No.	Description	Information
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. P. Balaji
3	Designation	Chief Regulatory & Corporate Affairs Officer
4	Telephone number	+91 11 23210134
5	Email-id	shs@vodafoneidea.com

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility, as listed below:

- P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;
- P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;
- P3 – Businesses should promote the well-being of all employees;
- P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;
- P5 – Businesses should respect and promote human rights;
- P6 – Businesses should respect, protect, and make efforts to restore the environment;
- P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;
- P8 – Businesses should support inclusive growth and equitable development; and
- P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

## 2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N)

S. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	-	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Yes, the policies conform to aspects of the nine principles of the National Voluntary Guidelines for Business Responsibilities (NVGs)								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	<p><b>Sustainability Committee</b></p> <p>Vodafone Idea's Sustainability Committee is made up of the Company's Executive Committee (EC)/National Leadership Team (NLT) chaired by the MD &amp; CEO or and all top Management (CXOs) representing every Function including the Chief Regulatory &amp; Corporate Affairs Officer who is the designated Chief Sustainability Officer.</p> <p>Committee members ideate and oversee sustainability governance across the Company, own the policies, accelerate progress and streamline the successful adoption of new sustainability related processes. The Management Committee (MC) comprising all Circle Heads are apprised and their inputs taken into consideration before rolling out any program.</p> <p>Cross-functional thematic Sustainability Committees and Sub committees at the Corporate level - Senior and Middle Management Nominees from all functions assist the EC and MC. The entire process is coordinated by the full time Sustainability Officer/ SME (Subject Matter Expert) who is also the single point of contact (SPOC).</p> <p><b>Site Sustainability Committee / Working Groups</b></p> <p>Vodafone Idea has identified site level representation to ensure adherence to key identified responsible stewardship focus areas such as tracking all Occupational Health &amp; Safety incidents; tracking NWS and facility level energy consumed and GHG (Green House Gas) emitted; compliance to NWS EMF radiation norms; tracking all Waste (including E Waste) generated and disposed at the site level etc.</p> <p>A Sustainability Evangelist Program being rolled out at the Circle level is also adding value to realize the overall Responsible Stewardship targets being set. The focus is to implement several site level projects towards identifying and achieving the respective business sustainability goals.</p>								
6	Indicate the link for the policy to be viewed online?	View restricted to employees, other than CSR Policy and Code of Conduct.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to all relevant stakeholders of the Company. The Company's communication with internal and external stakeholders on such matters is a continuous process.								
8	Does the Company have in-house structure to implement the policy/policies?	<b>Vodafone Idea's Sustainable Business Vision</b> is "To be the most admired telecom Company following sustainable business practices, and creating long term stakeholders' value by balancing economic growth with responsible environmental practices and societal interests."								



S. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
		<p>The Sustainability Organogram of Vodafone Idea includes:</p> <ul style="list-style-type: none"> <li>Executive Committee (EC)/National Leadership Team (NLT) chaired by MD &amp; CEO comprising of all CXOs leading from the front. The EC deliberate and drive sustainability governance of the Company and ensure efficient adoption of new sustainability processes and accelerate its progress.</li> <li>Chief Regulatory &amp; Corporate Affairs Officer is the designate Chief Sustainability Officer (CSO) with CSR and Sustainability Head as the Sustainability Champion.</li> <li>Sustainability Officer/ Subject Matter Expert (SME) drives all companywide initiatives with HoD level SPOCs nominated from all Functions.</li> <li>Thematic Cross Functional Teams (CFT) measure and manage sustainability focus areas across the Company.</li> </ul>								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	<p>The Company has a robust Sustainability Framework of Policies, Technical Standards, and Guidance Notes based not just on the local laws but also on leading International standards.</p> <p>The Company is publishing regular (Bi annual) dedicated Sustainability Reports as per international standards from Financial Year 2016-17. Its previous Sustainability Reports aligned to GRI G4 Guidelines are already in public domain and can be downloaded from the Company's website: <a href="http://www.vodafoneidea.com">www.vodafoneidea.com</a>.</p>								

Following policies are adopted by the Company:

- 1 Code of Conduct;
- 2 Energy & Carbon Management Policy;
- 3 Policy on Mission, Vision, Values;
- 4 Policy on prevention of Sexual Harassment;
- 5 Human Rights Policy; and
- 6 Corporate Social Responsibility Policy.

**2a. If answer to S. No. Against any Principle is 'No', please explain why?**

S. No.	Principle	Response
1	Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	The Company plays an important role in advocating issues of the telecom sector and promote a progressive and fair telecom policy. The senior management of the Company actively participates in various industry fora and is involved with various stakeholders for discussions regarding formulating new policies, reviewing and modifying relevant policies (described later in the report). The Company currently does not have a stated policy on advocacy, however, it continues to monitor and follow the business and regulatory environment.

## Section E: Principle-wise Performance

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Company's business activities and stakeholders' interactions are governed and guided by its Vision, Mission and Values. Company's vision is to create world class digital experiences to connect and inspire every Indian to build a better tomorrow. Similarly, Company's mission relates to customers, team, shareholders and community. Customers - Be the most loved brand by continuously raising the bar in delivering simple, delightful, experience and meaningful innovations, through new age technologies. Team - Be an inspirational, agile and exciting organization that challenges the status quo, and champions a diverse team that has a winning attitude and thrives on delivering customer excellence. Shareholders - Be the most valued Company through smart leadership committed to delivering sustainable growth, while adhering to the highest standards of governance and compliance. Community - Be the most respected Company by leveraging technology and purposeful innovation to catalyze social prosperity, digital literacy and inclusivity.

The five core values of Speed, Digital first, Trust, Bold and Passion embodies the spirit of our brand. It has helped us to build our culture that define how we behave with our employees, customers and partners. Values serve as the guiding principles for every thought and action of the Company.

Vodafone Idea adopts a straightforward and open approach, to build a culture that fosters trust. It is the basis for all its dealings and interactions with its customers, employees, suppliers, partners, shareholders, communities and the government. Vodafone Idea is committed to take fair and honest decisions by following the highest standards of professionalism and business ethics. The Company has a sound consequence management process in place to maintain checks and balances on these very values and policies.

Alongwith the core values, all Board Members and senior management personnel affirm their compliance to the Code of Conduct that adheres to the provisions of SEBI (Listing Obligation and Disclosure Requirement), 2015. The Code also enshrines the three fundamental principles of good corporate governance, good corporate citizenship and exemplary personal conduct.

The Company also has in place a Code of Conduct, which requires all employees to engage with each other in a dignified manner and respect diversity. Integrity in personal conduct, conduct at work, conflict of interest, and interface with the external world are all covered under the code.

Vodafone Idea is sensitive about transparent and timely communication in order to yield positive results and take faster decisions thereby enhancing the credibility of the management.

### SEBI – BRR Questionnaire Responses for Principle 1:

1. *Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No.*

Ans: No. It applies to all stakeholders dealing with Vodafone Idea Limited.

2. *Does it extend to group/joint ventures/suppliers/contractors/NGOs/Others?*

Ans: Vodafone Idea has adopted its own code which addresses the aspects of ethics, bribery and corruption. The five core values Speed, Digital, Trust, Bold, and Passion – have been adopted across Vodafone Idea including the employees of its subsidiaries. In addition, the Company's vendor/supplier contracts include clauses on ethical behavior, bribery and corruption.

3. *How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.*

Ans: There are no outstanding complaints for Financial Year 2019-20. Vodafone Idea has a mechanism in place for receiving complaints from stakeholders and in turn a robust process for their satisfactory investigation and disposal.

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### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

Vodafone Idea has a robust scrap disposal policy in place which is diligently followed and regularly revised. Scrap disposal is monitored through the online Scrap disposal module and adequate steps are taken to ensure disposal happens in accordance with rule of the land and reporting of scrap disposal happens to concerned authorities periodically.

Vodafone Idea has also implemented the Project "Rakshak" where 2,540 community drivers were trained in Financial Year 2019-20. This is a drive to educate Commercial Drivers on Defensive Driving Techniques. **This program has also won an award in the Voice & Data awards in CSR category.** 5,258 drivers carrying Vodafone Idea equipment were also trained under this program.

Compliance on Electromagnetic Fields (EMF) radiation related regulation is another business priority at Vodafone Idea. The Company has a dedicated team of senior officials who engage with external and internal stakeholders for awareness and education on EMF. The Company is proactively engaged in public education initiatives led by the Cellular Operators Association of India (COAI) on the subject of EMF. Vodafone Idea continues

to strengthen its internal systems and processes to remain EMF compliant. Resources for ensuring compliance have been appointed in all the Circles. The Company has made significant financial investment in the purchase of EMF monitoring equipment and is compliant with existing directions/ orders of the Department of Telecommunications (DoT). As specified by DoT, the Company works closely with the COAI on the [www.tarangsanchar.gov.in](http://www.tarangsanchar.gov.in) (EMF portal) to update data related to Vodafone Idea Base Transceiver Stations (BTSS) operating across the country. The portal launched in 2017 disseminates information regarding EMF from all installed BTSS of all telecom service providers to the public.

**SEBI – BRR Questionnaire Responses for Principle 2:**

1. *List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.*

**Ans:** Following are examples of the Company’s product / service features that incorporate the aspect of environmental conservation:

- **Scrap Management Module** – In the past, scrap disposal was governed by a manual system operated through paper work only. Introduction of a web based scrap disposal Module has reduced the turn-around time of approval processes considerably. Further, it has helped in providing better visibility of the position of each scrap disposal proposal. This IT automated initiative has led to a savings of approximately 5,100 A4 sheets, which is equivalent to almost 45 kg wood.
- **COSMOS e-nFA system** – In the past Commercial rate approvals were done manually. Circles would courier the physical papers for signatures or mail scanned copies which in turn had to be printed out and then physically signed. With this module now on a per year average 1000+ NFA are being approved online which leads to a savings of 5,000 A4 sheets, which is equivalent to almost 45 kg wood.
- **Process & Audit module** – In the past processes would be printed on paper and then physical processes would need to be obtained. With this module, process creation, approval and distribution of 21 Commercial processes are done online, thereby reducing the need for paper prints. On an average this leads to a one time saving of 500 A4 sheets, which is equivalent to ~ 4.5 kg wood. Online updation of the processes help save more paper.
- **iTCMS – Intelligent Cost & Transport Management System** – This is a home grown transport management

system which uses logic of Artificial Intelligence, Machine Learning & Genetic Algorithm based on Darwin’s theory of “Survival of the fittest”. This solution reduces manual labor in transport contract management, vehicle planning & scheduling, route planning & vehicle tracking. In Financial Year 2019-20 over 7,500 trips/month were planned optimally using this system. This project won an award in “Process Innovation category” in Voice & Data awards.

2. *For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional). (i) Reduction during sourcing / production / distribution achieved since previous year throughout the value chain; (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year:*

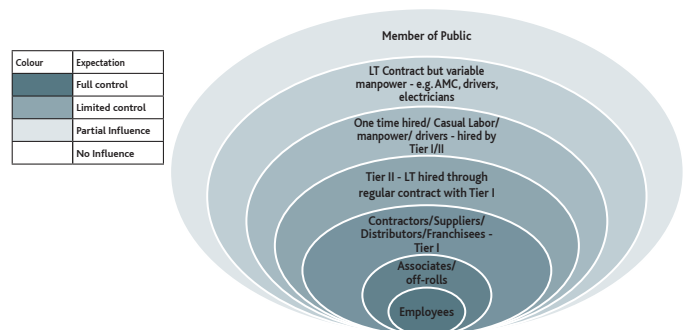
**Ans: Introduction of a Scrap Management Online Module** - This initiative has led to a savings of approximately 5,100 A4 sheets which is equivalent to almost 45 kg wood.

**COSMOS e-nFA system** - This initiative has led to a savings of approximately 5,000 A4 sheets which is equivalent to almost 45 kg wood.

**Process & Audit module** - This initiative has led to a savings of approximately 500 A4 sheets which is equivalent to almost 4.5 kg wood.

3. *Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.*

Vodafone Idea firmly believes that sustainable development cannot be achieved with mere focus within own boundary of business practices. The Company has forged meaningful and impactful partnerships with its vendors and partners to mandate Health, Safety and Well Being (HSW) across their organizations as well. The HSW circle defines the level of influence and related HSW controls across the different layers of the supply chain of VIL.



HSW is also embedded into Company's supply chain management system –

- Suppliers are screened on basis of HSW criteria before selection for doing any high risk work as elucidated above.
- Mandatory Health & Safety conditions are incorporated into every contract and signed off by high risk suppliers.
- A Health and Safety Plan is submitted by the suppliers at the time of agreement and monitored for compliance during the entire tenure of the agreement through monthly reviews. High Risk supplier meets were conducted across all circles covering total 2183 numbers of suppliers.

Focus on supply chain also involved HSW integration into logistics management:

- All warehouse premises were inspected for compliance to VIL set standards and corrective actions were taken.
- Personnel working in warehouses were imparted job specific trainings in terms of fire safety, material handling, driving of material handling equipment e.g. fork lift trucks, stackers etc.
- Every inbound or outbound vehicle was inspected at the warehouses as per VIL standard checklist before commencement of a journey.
- Furthermore before embarking on journey, all material transportation drivers for both inbound and outbound vehicles were trained on principles of defensive driving at the warehouses using VIL defined standard module. During the year approx. 5000 drivers were trained across all warehouses.
- Every journey undertaken exclusively for VIL business purpose is managed for HSW controls. VIL developed and implemented a software for automation of secondary transportation operations at all warehouses. This software enables warehouse teams by proposing the shortest and economical route for transportation, consolidation of multiple trip to single destination to a single trip and monitoring of volumetric efficiency. In order to monitor drivers' behavior during the journey, GPS based tracking system in both inbound and outbound vehicles is installed for ensuring safe journey management.

Agreements signed with channel partners, distributors and retail franchise owners also included clause on financial / welfare compensation for their employees in case of injury, or in case of a fatality, the welfare / financial compensation of the individuals' family.

**4. *Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?***

**Ans:** Vodafone Idea has more than 9,200 active vendors through which procurement of various goods and services are being done and more than 99% procurement is being done from local vendors (based out of India). Most procurement activities are carried out at local offices in all states conducting business transactions with local vendors.

**5. *Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.***

**Ans:** At Vodafone Idea, we have a clear directive of taking the material through stages of screening before declaring any material scrap. This screening process focusses on exploring reusability and recyclability of the material and looking for possible ways to prevent such scrap generation in future. Once a material is declared scrap, a designate team approves for final disposal. The concerned Function then ensures that the declared scrap is channelized to authorized collection centers or registered dismantler(s) or recycler(s) or is returned to the pick up or take back services provided by the producers (original manufacturers). In Financial Year 2019-20 total waste disposed off under broad category of 'Hazardous waste' were 2K MT and 'Non Hazardous waste' were 13K MT. Company deals Govt. certified recyclers only.

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### **Principle 3: Businesses should promote the wellbeing of all employees**

Vodafone Idea with its strong focus on human resources has set in a culture of **Simplicity, Fairness** and **Trust**. It is our endeavor to create a thriving, engaged, future fit great place to work. Employee wellbeing is at the core of creating such a culture.

All our policies and interventions are designed to keep these pillars as the bedrock. Speak up, Flexible working hours, POSH, Employee assistance program, Reach home safe, Extended maternity benefits, Employee social network platform (workplace), Employee engagement interventions, Regular leadership connect sessions etc. are some interventions which have helped us to stay connected with employees. At the same time they offer flexibility to the employees to maintain a work life balance while giving their 100% at work.

Telecom is about connectivity and to keep people connected, there is someone risking his/her life while climbing a tower, while working on electrical system or while working in the field, driving either a car or a two-wheeler. Basis lineage from both the promoter Groups where people centricity is a way of doing business, unflinching commitment towards Health, Safety and Well-being (HSW) of each and every individual impacted by the organization's operations was introduced as a core element in VIL Culture of Care. Without confining the sphere of influence of HSW to the boundary of the organization, concept of 1@risk was introduced. VIL decided to hold itself responsible for 2,20,000 people in its ecosystem who work for or on its behalf through channel partners, distributors, vendors, partners or franchisee owners. The New Leadership team made a promise: "We shall not do business by putting anyone at risk".

During the year integration and consolidation activities undertaken are continued like:

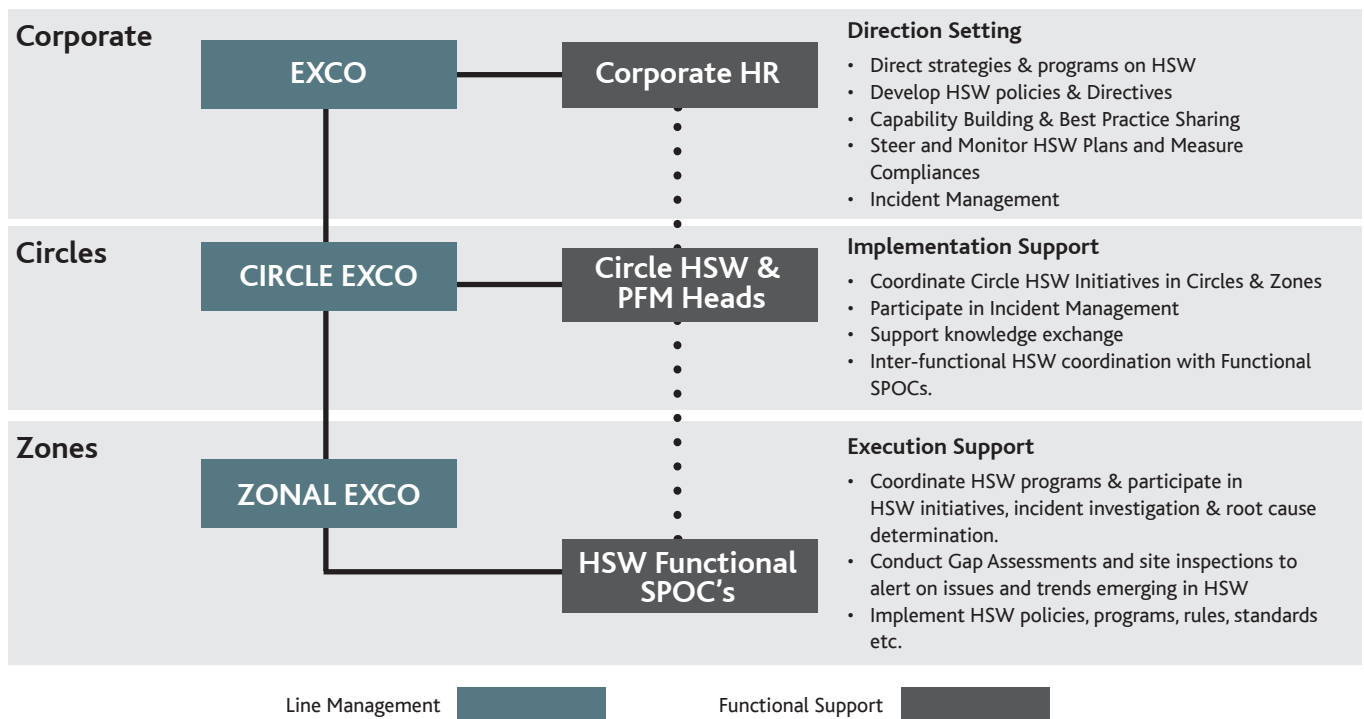
- unprecedented scale of integration with multiple moving parts;
- concerted efforts towards identifying the best practices of both the Groups;
- adopting and harmonizing diverse standards, protocols; and
- building a common culture and framework of care resting upon SMART governance and execution intensity.

A three pronged approach was formulated for integrating HSW into business across all functions in terms of People, Processes and Properties (Equipment's and Facilities). VIL takes into account the safety of each and every equipment and premise during both design as well as operations/ maintenance phase. The safety of premises were monitored through Planned General Inspections and corrective action thereafter.

The foundation of VIL, HSW framework laid down during the previous year through the establishment of HSW Policy, set the expectation for all that working safely is a condition of employment and that all employees including line managers shall be responsible for effective implementation of the HSW systems & processes. The foundation was further strengthened through the pillars of nine Absolute Safety Rules, addressing the high risks owing to operations (viz. work at height, electrical work, underground operations, two wheeler riding and four wheeler driving) and made non-negotiable for all 1@risk.

In Financial Year 2019-20, 28 precious lives were saved owing to adherence to Absolute Safety Rules. Adherence to high risk standards (Work at Height, Electrical Safety, Road Safety, Street / Underground Work, Lifting Operations & Incident Management) was ensured through various interventions.

The following framework of governance was established with continuous focus on review and improvement:





Apart from Corporate Initiatives, Circle and Zonal Teams are also driving initiatives for strengthening HSW Culture and ensuring physical, emotional, financial, digital and social well-being of employees to ensure a productive and efficient work force.

The organization established and fostered a belief in zero tolerance for non-compliance - a stringent consequence management program was introduced to investigate every incident or violation related to breach of Absolute Safety Rules. The findings of such investigations are transparently communicated so that all can learn and improve further. When required, VIL does not hesitate to even part ways with employees, channel partners, or suppliers if they violate the Absolute Safety Rules, irrespective of their seniority or importance. During the year, 25 associates, 6 distribution sales executives and 8 supplier/vendor employees were terminated owing to violation of one or more of these rules.

Given the nature of VIL business, the geographical span of its operations and the high risk jobs involving electricity, height, street-work / underground work, lifting operation or highway travel during dark hours, VIL made it imperative for all employees and partners to ensure that for undertaking any high risk job, the right controls are in place in terms of people, property and process. With this objective, permit to work for aforementioned high risk jobs, was mandated for all VIL employees, employees of vendors, contractors and sub-contractors working for or on behalf of the organization. Additionally, the assurance was further monitored through live audits (through physical visits, pictorial evidence or video calls).

For demonstrating senior management commitment and for reinforcing positive safety culture across VIL family, following actions were completed:

- 950 senior management tours wherein leadership teams had an engagement with field teams to appreciate their good work and understand their concerns;
- Safety Council meetings every month presided by Business Heads to monitor the progress of HSW KPIs; and
- Senior management also drive HSW agenda through Town Hall meetings.

### Training & Engagements

- Based on exposure to job specific risks, standard training programmes, some in-house and some driven through external agencies were introduced and trainings imparted— Electrical – around 480 technicians; work at height – around 8792 climbers; Road Safety: around 12,260 two wheeler riders, around 980 full time employees driving four wheelers, around 1247 professional drivers trained on Defensive Driving.
- Every 1@risk individual is onboarded on basic aspects of HSW using standard modules defined by Corporate HSW.

More than 47249 1@risk individuals were inducted through this basic onboarding programme.

- B-Safe Road Safety Campaign organized across the organization ensuring engagement of field teams through Tool Box talks, videos and other engagements. During the campaign there were 4185 Videos shared by Field force, 424 Road Safety activities and more than one lac 1@risk covered during various engagement sessions/TBT sessions, etc across circles.

In continuation to above initiatives, Reward & Recognition programmes are also in place. Some examples are provided below:

- On spot recognition of positive safety behaviour of 1@ risk through issue of 'Thank You Card' by circle leadership team during their regular engagements; and
- Logistic vehicle drivers' and transportation contractors' recognition for regular adherence to VIL Standards through 'Project Saarthi'.

Aligned with the organizational goal of digitization, specific interventions were made for digitizing HSW governance too. mSafe, (a mobile application) was used for governance and monitoring of all 1@risk individuals both on-roll employees as well as off-rolls. This application acts as the central repository of data. Furthermore, an android mobile based automation tool called Cellsite Inspection Automation Tool (CIAT) was continued for governance and recording planned inspection & issuance of permit to work in electronic form and enabling Pan-India coverage.

During the year, 3 precious lives were lost in 3 unfortunate incidents – one was due to electrocution incident involving a contract worker deployed by You Broadband (wholly owned subsidiary of VIL), second was incident involving a contract worker falling from height and third was a road accident involving member of public. All the incidents were investigated in detail, root causes were identified in terms of lapse in management controls and nation-wide targeted action plans were implemented and monitored for closure.

VIL management framework for HSW is subject to proactive scheduled review as well as reactive review basis reassessed risk in order to ensure its long term success and sustenance. In order to gauge the status of HSW implementation against VIL Standards, check on-ground compliance with respect to people, process and premises and to provide support to circles, Corporate HSW team continued to undertake surprise visits to various zonal locations and engage with partners and their employees. Some of the standard tool-kits that were introduced during the year as a part of the HSW governance architecture, included:

- Monthly HSW dashboard with monitoring of key performance indicators (both leading as well as lagging);

- Monthly HSW Review meetings at Circles through identified safety councils; and
- Monthly reviews at Corporate through Advisory Committee formed (with representation from Circle and Corporate).

**SEBI – BRR Questionnaire Responses for Principle 3:**

**1. Please indicate the total number of employees:**

**Ans:** The Company has 11,486 regular employees as on March 31, 2020.

**2. Please indicate the total number of employees hired on temporary/contractual/casual basis:**

**Ans:** The Company has 10006 employees on temporary/contractual/casual basis as on March 31, 2020.

**3. Please indicate the number of permanent women employees:**

**Ans:** The Company has 1822 permanent women employees as on March 31, 2020.

**4. Please indicate the number of permanent employees with disabilities**

**Ans:** Five permanent employee with some physical disability are employed by the Company.

**5. Do you have an employee association that is recognized by management?**

**Ans:** The Company has no employee association.

**6. What percentage of your permanent employees is members of this recognized employee association?**

**Ans:** The Company has no employee association.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

**Ans:** There have been 8 cases of POSH reported in Financial Year 2019-20. In all the cases, appropriate action has been taken and there is no pending case as of now. There have been no cases reported relating to child labour, forced labour, involuntary labour.

**8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? Permanent Employees, Permanent Women Employees, Casual/Temporary/Contractual Employees, Employees with Disabilities.**

Based on the Training Need Identification process the specific training programs were launched internally

through Train the Trainer methodology. Accordingly 4 learning interventions were launched in the first quarter of Financial Year 2019-20. These were -

1. The winning Mindset;
2. Collaboration@ Play;
3. Behavioural Event Interview; and
4. UDAAN - We have also launched a learning program specifically for Women Capability development. 616 women employees have benefitted from the program.

In the second quarter, 4 additional modules were launched.

1. Execution Excellence – 4DX;
2. First Time Manager FTM learning journey;
3. Experienced Manager EMP Program learning journey; and
4. CXX – Customer Experience Excellence - We have also launched a learning intervention on customer service excellence.

Leadership Development - There has been specific learning journeys for leadership development through high end interventions for leaders at Gyanodaya. Approximately 200 leaders have attended different programs on leadership at Gyanodaya, Corporate Learning Center of Aditya Birla Group.

The VIL competency framework has been created and Competency training has been launched for Leaders through innovative learning interventions called Competency Cook-offs. This app based training for all employees on VIL competency is scheduled to be launched in April 2020.

Young Leadership Development has been initiated through TimeBox series to understand the development needs of young leaders.

Talent Development - Structured Band wise talent assessment in order to have a fair and objective mechanism of identifying top talent.

Overall, there has been 69% employee coverage in Financial Year 2019-20 in all training interventions.

In order to build capacity for positive safety leadership and ownership across functions and each layer of VIL family, safety leadership trainings were undertaken by Corporate HSW for all Vertical Heads at Circle locations including Business Heads and HSW Champions of all circles. Furthermore:

- Based on exposure to job specific risks, standard training programmes, some in-house and some driven through external agencies, were introduced and trainings imparted. Electrical – around 480 technicians; Work at height – around 8792 climbers; Road Safety - around 12,260 two

wheeler riders, around 980 full time employees driving four wheelers, around 1247 professional drivers trained on Defensive Driving.

- Every 1@risk individual is on-boarded on basic aspects of HSW using standard modules defined by Corporate HSW. More than 47249 1@risk individuals were inducted through this basic onboarding programme.

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**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

Vodafone Idea actively contributes to the social and economic development of the communities in which it operates to help in building a better, sustainable way of life, especially for the weaker sections of society. The Company recognizes the critical role played by internal (employees) and external (adjudicators, courts, licensors, industry associations, regulators, network operators and subscribers) stakeholders in its sustainability agenda, and strives to align its social, environment and economic performance with stakeholder needs and expectations.

Vodafone Idea is an equal opportunity employer and currently employs 93 differently abled people at its call centers.

The Company is focused on expanding its services in rural areas and promotes schemes such as basic packs starting at ₹ 9/- and top-up of ₹ 10/- with a minimum recharge of ₹ 35/- in order to provide affordable access to communication to the economically disadvantaged population.

Vodafone Idea has set up its rural distribution network to cater to customers far away from the urban centers with its vast variety of services. As of March 31, 2020 the Company's total service center presence is in 5443 stores of which 2448 are in rural areas.

In order to cater to remote communities, Vodafone Idea organizes camps in rural areas for customers there to easily access its service. The Company has also set up call centers in Tier 2 and Tier 3 cities so as to reach out to the rural customers. Approximately 43% of the call center agents are female as part of gender equality vision.

The Company also provides Interactive Voice Response (IVR) in 17 languages so that customers are able to understand and avail services.

Vodafone Idea has launched technology led initiatives aimed at improving information access and quality of life for non-urban communities across the country by leveraging the technology in several domains - education, agriculture, health and safety, financial literacy and livelihood generation. Details of such initiatives are provided under Principle 8 of this BRR.

**SEBI – BRR Questionnaire Responses for Principle 4:**

**1. *Has the Company mapped its internal and external stakeholders?***

**Ans:** Yes, Vodafone Idea has mapped its key internal and external stakeholders, which include employees, licensors, industry associations, regulators, network operators and subscribers.

**2. *Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?***

**Ans:** Vodafone Idea is a Pan-India integrated GSM operator offering 2G, 3G and 4G services, and has achieved deep rural penetration. The Company has enhanced network reach and covers 480,000 towns and villages. Vodafone Idea has over 5400 branded stores and over 1 Mn retail touchpoints to service customers.

**3. *Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.***

**Ans:** Vodafone Idea recognizes its responsibility for the rural and the economically challenged population of the country and has generated local employment and deployed various rural-focused mobile solutions. The Company has specific projects in the domains of education, health, sustainable livelihood, agriculture etc. Company has leveraged the power of technology to promote digital education, financial literacy, enhancing sustainable livelihood opportunities, promoting IOT based farming practices to improve the socio economic condition of the farmers and land productivity.

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**Principle 5: Businesses should respect and promote human rights:**

Vodafone Idea sincerely supports a culture of respect and promotes human rights. The Company is of the firm belief that every employee should be able to live with social and economic dignity and with freedom, irrespective of his nationality, gender or religion. The Company complies with all applicable local, state and national laws regarding human rights and worker's rights wherever it does business.

Vodafone Idea has adopted a Human Rights Policy that reflects respect for human rights and is free from all discrimination and harassment. Reinforcing its dedication to human rights issues, Idea has adopted a Human Rights Policy that outlines the Company's commitment to developing a culture of respect and support for human rights - including diversity in workplace, provision of secure environment for all personnel, proactive communications, and contribution to socio-economic development of communities where the Company operates.

The Company believes in positively influencing the protection of human rights within its sphere of influence. It encourages and supports its key suppliers and vendors to uphold and create awareness about human rights in their operations.

The Company's key vendor contracts mandate including clauses against use of forced and child labor, worker safety and hygiene and the absence of abuse and intimidation etc.

**SEBI – BRR Questionnaire Responses for Principle 5:**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

**Ans:** The Company's Human Rights Policy is applicable to all employees of VIL and its subsidiaries and suppliers.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

**Ans:** No complaints related to human rights were received in the past financial year.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

As the global telecom industry grows increasingly cognizant of the fact that it needs to lighten its carbon footprint, Vodafone Idea is one of the leaders in the search for green energy options in India. Efficient power management, infrastructure sharing, use of eco-friendly renewable energy sources, leveraging the latest technology to reach out to a large audience in the most energy efficient manner such as video and teleconferencing, smart logistics, etc. are some of the best practices in Vodafone Idea's network infrastructure and day-to-day business operations. The primary focus of the energy conservation drive has been on reducing energy cost and minimizing environmental impact of the Company's operations. The Company is constantly asking its vendors to focus on highest energy efficient category equipment. Based on this principle, 100% of all new telecom hardware procurement in Financial Year 2019-20 comprise of low power consuming telecom hardware. At the same time, modernizing of old equipment into new and energy efficient telecom hardware continues to be a key focus.

In Financial Year 2019-20, Vodafone Idea continued to adopt environmentally sustainable practices in our transactions with the same foundational objectives laid down as part of Green Idea as well as VIL's Energy and Carbon Management Policy.

1. Consider Energy performance when operating VIL's infrastructure;
2. Continue with the procurement of most energy efficient Telecom Hardware; and

3. Encourage Infrastructure Provider partners to adopt low carbon operations.

The track record of Financial Year 2019-20 stands as below:

- Over 75% of Vodafone Idea's BTS portfolio - Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS);
- Over 55,000 sites from IP Partners are green sites;
- Diesel elimination project initiated by VIL to reduce carbon footprint implemented at over 12,000 sites resulting in reduction in Diesel consumption by over 2.5 Mn Ltrs. in Financial Year 2019-20;
- Power saving features implemented to reduce energy consumption;
- 100% of the telecom hardware procurement comprise of low power consuming telecom hardware.
- RET based generation through PPAs, against Vodafone Idea's consumption is 8.85 MW.

Following initiatives undertaken by the Company in the past continued to run smoothly delivering the intended objectives to utilize alternate sources of energy:

- **Exclusive Solar solutions at over 5000 sites**
- **On-Site Solar implementation:** 25 KW of installed capacity continued to be in operation.
- **Off-Site Renewable Energy (RE) Deployment:** This concept was also initiated in Financial Year 2015-16 based on Carbon abatement principle and it continued to be in service in Financial Year 2019-20:
  - 6 MW Solar PPA (Power Purchase Agreement) in Andhra Pradesh - 3.1 Mn Solar Units;
  - 1.25 MW Solar PPA in Madhya Pradesh - 0.75 Mn;
  - 2 MW wind PPA in Tamil Nadu (including Chennai) generating 2.4 Mn wind units;
  - 2 MW solar PPA in Maharashtra has been implemented leading to 0.3 Mn solar units generated; and
  - In addition we also have wind PPA at Chennai & hydro PPA at Delhi 0.6 MW.

**SEBI – BRR Questionnaire Responses for Principle 6:**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**

**Ans:** The Energy and Carbon Policy of VIL extends to all its subsidiary companies and joint ventures with an interest of 51% or more or management control.



**2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

**Ans:** Vodafone Idea is continuing its sustainability journey with special focus on energy efficiency and emission reduction. This ultimately furthers the Company's commitment to addressing global environmental issues such as climate change and global warming. The emission levels of the Network is base lined as of Financial Year 2012-13 and being tracked annually as per DoT guidelines. Under this initiative, more than 5000 telecom sites are operational with solar hybrid energy solutions. More examples of key initiatives are described under Principle 2, 6 and 8 in this section of the Business Responsibility Report.

**3. Does the Company identify and assess potential environmental risks? Y/N**

**Ans:** Vodafone Idea has always been sensitive to the environmental impact of Telecom Network operations and has proactively adopted environmental sustainable practices whenever such opportunities were/ are available.

- Renewable energy PPA;
- Using Renewable Energy Technologies (RET) for powering towers during grid failure;
- Reduce diesel consumption at telecom sites;
- Using energy efficient hardware;
- Leverage Infrastructure Provider Green sites to reduce diesel consumption across our portfolio; and
- Convert Indoor sites to outdoor to reduce air conditioner usage.

In all such cases, Vodafone Idea adopted only commercially viable models which offered business benefits to all stakeholders involved. Reduction in CO<sub>2</sub> emission and reduction in Operating costs were the driving forces in all its initiatives.

Further, Sustainability issues are being added to the Business Risk Register. A dedicated Enterprise Risk Management (ERM) structure is in place.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

**Ans:** Vodafone Idea does not have any project related to Clean Development Mechanism.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

**Ans:** Apart from installation of energy efficient hardware, Vodafone Idea through Infrastructure providers has adopted low carbon technologies including green sites, solar hybrid sites, outdoor sites and Renewable PPA. Details of these initiatives are provided above.

**6. Are the emissions / waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

**Ans:** Vodafone Idea gives greatest importance to the issue of GHG emissions and waste generated from its operations and follows all pertinent Govt. guidelines to be environment friendly. EMF radiation, and its commitment in this regard is evident from the Company's stringent monitoring systems and financial investment in Emissions testing equipment. All of the Company's network sites are in compliance with the relevant radiation limits prescribed by the regulatory agency.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There are two legal notice received from CPCB/SPCB, which is pending as at the end of Financial Year.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

As one of the leading mobile operators in the country, Vodafone Idea advocates policies that can spur socio economic growth as well as the growth of the telecom sector, promoting development, inclusive growth and access to information through programs such as Digital India. Vodafone Idea is an active player in the following national and international industry associations (either directly or through its subsidiaries):

1. The Associated Chambers of Commerce and Industry of India (ASSOCHAM);
2. Federation of Indian Chambers of Commerce and Industry (FICCI);
3. Confederation of Indian Industry (CII);
4. Cellular Operators Association of India (COAI);
5. GSM Association (GSMA);
6. European Business Group (EBG);
7. UK India Business Council (UKIBC);
8. US India Business Council (USIBC);
9. Telecom Sector Skill Council of India;
10. IIMA Idea Telecom Centre of Excellence (IIT-CoE) at the Indian Institute of Management, Ahmedabad; and



#### 11. Telecommunications Standards Development Society, India (TSDSI).

Through its association with the above bodies, Vodafone Idea actively participates in discussions relating to policy development on several issues pertaining to the telecom industry, including restoration of financial health of the sector, creation of a sustainable investment climate, development of a world class communications infrastructure, ease of doing business, Right of Way (RoW) policies & processes, enabling the evolution and development of emerging technologies such as 5G, IOT/M2M, Data Analytics, Artificial intelligence, etc framework for privacy and data protection, network security, and the public protection and disaster management policies/networks.

Vodafone Idea is represented on various industry fora as Chair of the Assocham National Council on Digital Communications, Chair of the Telecom Sector Committee of EBG, co-Chair of the FICCI Communication and Digital Economy Committee, Co-Chair of the Sub Committee on Financial Stability, CII, and a member of the GSMA Public Policy Group. Through its active participation in various industry bodies, Vodafone Idea advocates on various telecom industry issues as also attempts to drive a consensus driven approach to further the Government's vision of a Digital India. The Company through the CEO is on the governing body of Telecom Sector Skill Council.

The Company is also involved in the activities of TSDSI, which is a not for profit legal entity in a PPP mode with participation from stakeholders including Governments, service providers, vendors, manufacturers, academic institutes and research laboratories.

Vodafone Idea is also the principal sponsor of the IIMA Idea Telecom Centre of Excellence (IIT-CoE) at the Indian Institute of Management, Ahmedabad (IIM-A).

Vodafone Idea is a key member of the COAI and currently holds the position of Chairman, COAI through its MD & CEO. Its senior executives are Chair/ Co-chair of various Committees of the industry body. Vodafone Idea is also associated with the GSMA and works closely with the association on various industry programs such as making India 5G ready, M2M and standards for E-SIM, spectrum related issues such as identification of globally harmonized bands for IMT, reasonable approach to spectrum pricing, etc.

#### SEBI – BRR Questionnaire Responses for Principle 7:

##### 1. *Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.*

**Ans:** Yes. Vodafone Idea is a member of several key Indian and global industry associations. Some of these are (as mentioned in the paragraph above):

1. Cellular Operators Association of India (COAI);

2. The Associated Chambers of Commerce and Industry of India (ASSOCHAM);
3. Federation of Indian Chambers of Commerce and Industry (FICCI);
4. Confederation of Indian Industry (CII);
5. GSM Association (GSMA);
6. European Business Group (EBG);
7. UK India Business Council (UKIBC);
8. US India Business Council (USIBC);
9. Telecom Sector Skill Council of India; and
10. Telecommunications Standards Development Society, India (TSDSI).

##### 2. *Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others.*

**Ans:** Vodafone Idea is a core member of the COAI. The industry body is the lead interlocutor between the policymaker (DoT), the Regulator (TRAI), and the ecosystem at large. The association has been involved in facilitating a smooth and productive dialogue with the Government on behalf of the operators in the country, on various public policy matters such as restoration of financial health of the sector, seeking reduction in regulatory levies, GST related issues, spectrum related matters, streamlining of various processes and making them online for ease of doing business, aligning State right of way policies and charges with Central ROW Rules 2016 and automating processes, participating in consultation processes on tariffs, interconnection, international termination charges, enhancement of scope of infrastructure providers, traffic management practices, privacy and data protection bill, etc.

Vodafone Idea is also the principal sponsor of the Idea-IIMA Telecom Centre of Excellence (IITCOE), which is actively involved in capacity building and all round growth of the Indian telecom industry.

Vodafone Idea has also participated in various GSMA programs designed for best practice sharing such as its workshop on 5G perspectives around technology & competition, etc.

#### Principle 8: Businesses should support inclusive growth and equitable development

Inclusive growth and equitable development is core to the Company ethos. One of the Company's mission pertains to

community – Be the most respected Company by leveraging technology and purposeful innovation to catalyze social prosperity, digital literacy and inclusivity.

Moreover, Company's roadmap for Social Inclusion and Equitable Development aims at ensuring maximum people are included and empowered by connecting them to sustainable economic growth. This objective is guided by its four Social Pillars:

1. Bringing Digital Divide and Bringing all underprivileged into digital Presence;
2. Ensuring Inclusion at work;
3. Creating opportunity for marginalized section of the society and integrating them to mainstream of the society; and
4. Community development and nation building through sustainable development.

Vodafone Idea's objective and contribution towards achieving inclusive growth and equitable development are accomplished by:

- Reaching to unreached people through robust network and far reaching distribution – Vodafone Idea is a fully integrated telecom services provider offering its over 293.7 Mn (on VLR) mobile subscribers a choice of national, international and internet services. The Company's services are available in over 480,000 remote towns and villages across India.
- At Vodafone Idea, we realize that Diversity and Inclusion at the workplace helps foster an open and healthy work environment and is critical to our business strategy. We believe women at various management levels bring plurality, diverse thinking, varied leadership styles and values. To build a diverse internal team we need to focus on creating a supportive ecosystem to hire, engage and retain women talent. We are enabling women in the workforce by taking care of their professional and personal needs depending on their life stage. Hence we have introduced new policies like maternity policy, travel policy, reach home support, flexible hours and remote location etc. Each of which offers more flexibility and comfort to shoulder these life stage demands and be effective at work.

Enhancing women proportion in the organization continues to be our focus area. In order to create a company culture with leadership commitment towards gender inclusion, we have also introduced capability enhancement for women, gender sensitization workshops and employee assistance program.

- Consistently innovating new business models like mobile money, Payments Bank, which are focused intervention for overcoming the sustainability barriers.

#### SEBI – BRR Questionnaire Responses for Principle 8:

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

**Ans:** Yes. During the year, Company diligently evaluated the existing portfolio on the basis of scalability, reach, engagement, use of technology etc. and focussed in the domains of – Education, Health and Livelihood & Empowerment. Subsequently, Company has built a strong project portfolio that aligns well with UN defined Sustainable Development Goals and development priorities of communities. Brief of the projects undertaken during the year is as below:

#### Vidya - Education

- **Jigyasa – Building knowledge for life:** It is a flagship education programme of the Company. It aims to build knowledge for life and addresses some of the most pressing concerns faced by education sector in India by building the capacity of teachers, introducing digital content in the classroom to make learning and teaching more enjoyable, and augmenting existing infrastructure as needed. It also addresses another pressing concern of the education sector – limited awareness and access to scholarships. We have developed India's largest multi-lingual scholarship discovery and assistance platform – [www.learningwithvodafoneidea.in](http://www.learningwithvodafoneidea.in) which curates information of scholarships. The outreach of the project is Primary and Upper primary schools i.e. students in Standard 1 to 8 across five States Uttarakhand, Uttar Pradesh, Madhya Pradesh, Rajasthan and Chhattisgarh where digital infrastructure is available. The project has benefitted 3,00,000 students and 12,000 teachers across 2,200 schools and implemented in partnership with Centre for Knowledge Development, IPE Global and Buddy 4 Study Foundation.
- **Scholarship:** Building on the learnings from school education initiatives a dedicated scholarship project for deserving students and to acknowledge outstanding teachers by giving them a one-time financial support for their academic endeavors was initiated. Under the initiative 2,500 scholarships for the students and incentive to 200 teachers who are real change makers have been provided. The project is implemented by in-house CSR Team using in-house developed scholarship portal.
- **Girl Child Education – Vidya Har Beti ka Adhikar:** 'Vidya Har Beti Ka Adhikar' initiative started in the year 2017 with aim to improve the learning environment in the government schools and promote joyful learning. During the year the project was implemented in Sitamarhi, Bihar. Key activities taken under the initiative in three government schools are setting up digital learning infra,

capacity building of teachers on the use of digital content and activity based learning in the classroom, various infra renovation related activities viz. white wash and repairing of school buildings, better classroom with bench & desk, proper electric fittings, water and sanitation facilities, sports facilities, classroom furniture, sport kits, set-up of library, e-Vidya Kendra (Computer Lab) etc.

#### Swasthya – Health

- **Health Entrepreneurs – Diagnostic Tests:** The project is under implementation from last three years and during the reporting year, it was carried forward on building the learning of the previous years. It aims to screen school children for Anemia and build Community Health Entrepreneurs (CHE). The project is in line with Prime Minister's priority of Anemia Mukht Bharat which is an integral part of Poshyan Abhiyan campaign. It supports the cause by creating health entrepreneurs, generating employment by enabling them with adequate technology and support to screen school adolescents from age group between 11-19 years (6th standard-11th standard students) for Anemia. It is implemented in partnership with Public Health Technologies Trust. During the reporting year the project has benefitted 3,00,000 students across four States- Bihar, Chhattisgarh, Uttarakhand and Telangana.

#### Amdani – Enhancing Livelihood Opportunities & Women Empowerment

- **Financial literacy - Jaadu Ginni Ka:** The project aims to create awareness amongst the target groups (Youth, urban poor, farmers, artisan, rural women, micro-entrepreneurs, students (15 years and above) on the basic tenets of financial planning/management and on several government schemes. It leverages technology to overcome the challenge of access to financial information and its awareness. It also shares information on investment schemes with target groups to enable them to safeguard themselves against financial fraud and exploitative financial schemes. To make the people aware with the basic aspects of day to day financial things seven customized vans in association with CSC academy was started under its Gali-Gali Gaon Gaon activities to reach the remote areas. During the reporting year the project has benefitted 20 Lakhs people in 15 States (Uttar Pradesh, Rajasthan, Gujarat, Maharashtra, Jharkhand, West Bengal, Karnataka, Telangana, Andhra Pradesh, Kerala, Tamil Nadu, Odisha, Uttarakhand, Delhi and Goa). The project is implemented in partnership with Learning Links Foundation and NIIT Foundation. Several beneficiaries have reported better financial habits such as setting some part of their income in savings (up to ₹ 300 per month), opening bank accounts and enquiring about central and state-run welfare schemes.

- **Connecting for Good:** The project aims to foster the ecosystem for promoting the use of technology in addressing social challenges and empower NGOs to drive innovation, disseminate knowledge and upscale their interventions for greater impact through the development of Social App Hub and Solution for Good. Social App Hub, [www.socialapphub.com](http://www.socialapphub.com), is first-ever crowdsourcing platform, curating mobile solutions with social impact. The platform is also a knowledge hub that disseminates information on 'TechforGood' space and builds awareness around the use of mobile and wireless technology as a platform to deliver social impact. Social App Hub features over 800 apps and offers a plethora of knowledge: case studies, articles, directories and multiple case studies on how mobile technology has created impact at the grassroots, Pan-India across socio-economic indicators. Similarly, Solution for Good focuses on building innovative technology solutions that addresses the social challenges and have large scale replicability. The technology solutions helps the non-profit organizations to effectively scale their operations and efficiently reach their intended impact. The project is implemented in partnership with NASSCOM Foundation.
- **Digital Village:** The project has two components - creating model village and providing support to rural women in setting up food supply chain system and enhancing their livelihood through technology integration.

#### Others

- **Model Village:** Under the project 26 model villages have been created in Gadchiroli District, Maharashtra in partnership with Village Social Transformation Foundation. The thrust under the project is on convergence of Central and State Government schemes for socio-economic development of Gram Panchayats. Each Gram Panchayat is provided untied fund ₹ 10 lakh as Gram Kosh. In addition the project focuses on empowering people by promoting their participation in the development activities and making them aware with their rights and entitlements. In these villages there has been improvement of around 30% on key SDGs with respect to baseline data.
- **RUDI Sandesha Vyavhar:** The project aims to set up supply chain system right from procurement of goods to selling the processed agro based food products to end customers using mobile based application. RSV is an Android based Point of Sales (POS) mobile application that makes it easy for rural women (RUDIbens). The initiative has also developed an Enterprise Resource Platform (ERP) that provides control over all business processes and business process owners while providing ease of access through mobile applications and user-friendly Graphic User Interface (GUI). During the reporting year the project was

expanded to Madhya Pradesh, Uttar Pradesh and Rajasthan. The implementation partner of the project is Mahila SEWA Trust. 500 SHG women have been trained on the use of RSV mobile application to sell agro food products.

Collectively the project has benefitted around 26500 people in Gujarat, Madhya Pradesh, Uttar Pradesh, Rajasthan and Maharashtra.

- **Smart Agri:** The project addresses the challenges related with the agriculture by bringing in use of technology to improve the agriculture productivity and socio-economic condition of the farmers. It aims to deliver a comprehensive solution on smart agriculture using tech-based approach to improve agriculture practices, farm yield, revenues and overall quality of life for farmers. It enhances livelihoods of around 50,000 small farmers (cotton, soya) through sustainable farming approaches and improve agriculture practices by adopting IOT based solutions through Sensors, Multilingual Application, QueryBot, Crop Disease Detection, Artificial Intelligence for data analysis. Regular training and handhold support are being provided to the farmers for adoption of tech based farming methods to increase the productivity. It also builds entrepreneurs in the form of lead farmers who support a cluster of farmers through tech-enabled 100 demonstrations farm land. The initiative is for two years and is under implementation in Madhya Pradesh and Maharashtra in partnership with Solidaridad and NOKIA.

- **Swachh Iconic Place, Shree Somnath Temple under Swachh Bharat Mission:** The project is under implementation from last two years and supplements the Government of India's initiative to enhance cleanliness across India's rich heritage sites. During the reporting year various activities were undertaken with the objective to achieve a distinctly higher level of sanitation/ cleanliness at Shree Somnath Temple and on its peripheries and in the approach areas by construction of e-Toilets, deployment of heavy duty road sweeper machine, sewerage cleaning machine, beach cleaning machine, installation of LED display boards for displaying information to create awareness about cleanliness amongst visitors, beautification in and around nearby temples by plantation and gardening work, deployment of computer education bus "School on Wheels" to facilitate training to children and women on digital literacy and educate through health and hygiene programs to locals and nearby villages. The initiative was implemented by the in-house CSR Team in co-ordination with the Ministry of Drinking Water & Sanitation, Gujarat Pavitra Yatradham Vikas Board, Somnath Veraval Nagarpalika and Managing Committees of iconic sites.

The Company was recognized for its CSR initiative by Ministry of Drinking Water and Sanitation for Swachh Iconic Place, Somnath Temple Complex.

**2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

**Ans:** During the reporting year CSR initiatives were implemented by in-house CSR Team and also through implementation partner. Our implementation partners were:

- Centre for Knowledge Development;
- IPE Global;
- Buddy 4 Study Foundation;
- Learning Links Foundation;
- NIIT Foundation;
- Public Health Technologies Trust;
- NASSCOM Foundation;
- Mahila SEWA Trust; and
- Village Social Transformation Foundation.

**3. Have you done any impact assessment of your initiative?**

**Ans:** Yes. Impact assessment is the part of the project design. We also do baseline, midline and endline assessment of the project. Apart from impact assessment, concurrent monitoring of the project takes place during the implementation of the project. For the projects of the reporting year, KPMG has been engaged to do impact assessment. Some of the project benefits are as below:

- Learning and teaching environment in 2,200 government schools have been improved by bringing in use of digital technology and training of the teachers on teaching pedagogies.
- Around 20 lakh people have been trained on financial literacy and several beneficiaries who completed their training have reported better financial habits such as setting some part of their income in savings (up to ₹ 300/- per month), opening bank accounts and enquiring about central and state-run welfare schemes.
- In 26 Model villages there has been 100% achievement with respect to sanitation, housing, rural connectivity and enrollment in school. There has been substantial improvement in overall development of the village - around 20-30% on SDG indicators in the project areas with respect to the baseline data.

**4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

**Ans:** For Financial Year 2019-20, Company's CSR spent was around ₹ 363.6 Mn.



**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

**Ans:** Yes. The design of our all projects have inbuilt components of sustainability and adoption of the initiative by the community. For example under Jigyasa programme, Teachers were trained on teaching methodologies and on use of digital learning materials which they have started using in the classroom after the training and same have also become the part of regular curriculum of the schools. Similarly, under Model village initiative the capacity of the Panchayat representative and other stakeholders were built during the project period on implementation of development activities and all initiatives are being executed by the Panchayat representative.

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**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

The Company uses the power of technology to enhance the customers' lives – through ubiquitous presence and connectivity through our Pan-India urban and rural coverage. Innovative and truly differentiated offerings reflect the passion with which the Company aims to serve the customers always.

Vodafone Idea keeps Customers at the heart of the business. The Company's focus on Customers is based on its Value Book, which highlights the need for timely response to its internal and external customers; strive to finish before a deadline and to choose the best rhythm to optimize organizational efficiencies.

The Company strives to be the most loved brand by continuously raising the bar in delivering simple, delightful experience and meaningful innovations, through new age technologies. It constantly endeavors to meet customer needs, adding value and exceeding their expectations.

The Company strongly believes in being ethical about its operations with customers. Hence, it engages with its customers in a transparent manner by displaying all the tariff plans on the web in an unambiguous manner. This information is easily accessible to customers either by telecom circle or by package. Vodafone Idea addresses its customers' need to be constantly updated about their usage through instantaneous pop-up messages informing them about their data consumption and balance left. The Company also installs its network devices in a way that maintains data integrity, confidentiality and availability while preventing unauthorized use of confidential data.

Vodafone Idea always focuses on meeting and exceeding customer needs. Some innovative initiatives in this regard

include a quick and easy way of 'Electronic top-up' for recharging accounts, camps in rural areas for providing education on mobile, and provision of customer care services in vernacular languages. The Company has also introduced several Value Added Services (VAS) focusing on education, health and family care for rural population. At urban locations, kiosks are set-up at select Service Centers to create awareness about data (2G, 3G & 4G) services that the Company offers.

In order to service customers better and to bring in stronger governance in Store operations, concept of company owned operated neighborhood stores was introduced. Currently, the Company has over 495 company operated large format stores across the country.

Customer satisfaction is of prime importance to the Company. A customer satisfaction study is conducted regularly in order to track the quality of customer experience with Company's product and services and to benchmark the Company's performance with respect to its competitors.

Vodafone Idea acknowledges the needs of data customers through conducting focused diagnostic study amongst these customers to understand and address their specific network, product, communication and service expectations. Vodafone Idea Loyalty segment customers too are covered through a similar program.

The Company has a feedback mechanism through which it takes feedback from customers on a daily basis through Touch-point Net Promoter Score (TNPS) wherein, an SMS is sent to customers seeking feedback on the quality of service provided to him after he / she has contacted any of the Company's touch points. This on-going Instant feedback from customers help in improving the Company's processes. After the surveys are completed, the results are presented to the senior management team and detailed action plans are prepared specific to all the concerned functions. The same are tracked at periodic intervals to ensure that the execution meets the planning requirements leading to higher customer satisfaction.

**SEBI – BRR Questionnaire Responses for Principle 9:**

**1. What percentage of customer complaints/ consumer cases is pending as on the end of financial year?**

**Ans:** Out of the total calls received by the Company from customers, approximately 2.69% are related to complaints. 0.17% of the total complaints received during Financial Year 2019-20 were in an open stage as on March 31, 2020. The rest were closed satisfactorily.



**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A /Remarks**

**Ans:** The Company adheres to all product labeling and product information requirements as per the law of the land. Transparency in tariff through detailed plans being available on the website for consumers and focus on responsible advertising is the hallmark of Vodafone Idea.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

- **Cases related to irresponsible advertising:** There is one case pending in review stage before Advertising Standard Council of India (ASCI) on account of misleading advertisements;

- **Cases related to unfair trade practices (Under Consumer Protection Act):** 299 cases; and
- **Cases related to anti- competitive behavior (Under Competition Act):** There is no case pending in relation to anti-competitive behavior as on March 31, 2020.

In the normal course of business, dissatisfied subscribers of the Company generally file cases in consumer protection forums for alleged deficiency in expected level of service by the Company, or before Advertising Standard Council of India (ASCI) alleging misleading advertisements, which the Company defends appropriately.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

**Ans:** The Company conducts monthly C-SAT/NPS survey as well as other assessment surveys.

## Independent Auditor's Report

To the Members of  
Vodafone Idea Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Vodafone Idea Limited (formerly known as Idea Cellular Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the financial statements which describes the DoT demand based on Hon'ble Supreme Court judgment dated October 24, 2019 on the definition of Gross Revenue as per the

UASL agreement and the liability on license fee and spectrum usage charges. Further, owing to its financial performance and financial condition, the Company has breached its debt covenants as at March 31, 2020 for which it is in discussions with various lenders. This has impacted the Company's ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due, resulting in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern.

The said assumption of going concern is dependent upon positive outcome of Company's and DoT application with respect to deferred payment of its AGR liability, waiver of debt covenant breaches and its ability to generate/arrange the cash flow that it needs to settle or refinance its liabilities and guarantees as they fall due. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition</b> (as described in note 5(a) of the Standalone Ind AS financial statements)	
<p>For the year ended March 31, 2020, the service revenue recognised was ₹ 446,827 million.</p> <p>Revenue recognition has been identified as a key audit matter due to complexity of systems in recognizing revenues, significance of volumes of data process by system, constantly evolving pricing with heavily discounted tariffs and operation in highly competitive marketplace.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• With the assistance by IT specialists, we obtained an understanding, evaluated the design and tested the operating effectiveness of key IT general and application controls related to revenue recognition processes. We also tested relevant IT infrastructure and applications that result in generation of various IT reports used for billing and revenue recognition process.</li> <li>• We tested for operating effectiveness of IT dependent manual controls, including data analytics and trend analysis, test of various reconciliations between billing systems, prepaid applications and also performed re-computation of deferment of revenue.</li> <li>• We assessed the revenue related accounting policy, critical estimates and assumptions and disclosures in the standalone Ind AS financial statements.</li> </ul>
<b>Claims and exposures relating to litigation from taxation matters and change in regulatory environment including provision in the books for regulatory demands</b> (as described in note 42, 4(A) and 40(viii) of the Standalone Ind AS financial statements)	
<p>At March 31, 2020 the value of regulatory, tax and legal disputes disclosed as contingent liabilities was ₹ 116,292 million.</p> <p>Pursuant to the Hon'ble Supreme Court judgement, Company has recorded the provision for AGR of ₹ 442,083 million during FY 2019-20. Further, the Company has also recorded provision of ₹ 38,871 million for one time spectrum charges for more than 6.2 MHz spectrum.</p> <p>Taxation, regulatory and litigation exposures have been identified as a key audit matter due to everchanging regulatory environment and significant judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We obtained summary of all tax, regulatory and litigation including management's assessment.</li> <li>• We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to management's risk assessment process for taxation, regulatory and legal matters.</li> <li>• We obtained and read external legal opinions (where considered necessary) and other evidences provided by management to corroborate management's assessment of the regulatory and legal matters.</li> <li>• Engaged tax/regulatory specialists to assess the tax/regulatory positions taken by management with respect to tax/regulatory litigations.</li> <li>• Verified the provisions recorded in the books by the Company including the interest computations based on the demands received by the Company from DoT, internal records of the Company based on the Hon'ble Supreme Court judgement and validated the provisions recorded in the books.</li> <li>• Assessed the relevant accounting policies and disclosures in the standalone Ind AS financial statements for compliance with the requirements of accounting standards.</li> </ul>
<b>Borrowings, interest and debt covenant testing</b> (as described in note 21 of the Standalone Ind AS financial statements)	
<p>At March 31, 2020, current and non-current borrowings including interest accrued was ₹ 1,212,260 million and bank guarantee was ₹ 214,329 million.</p> <p>Annual covenant testing as at March 31, 2020 resulted in certain ratios breaching the specified covenant threshold for loans aggregating ₹ 155,208 million. Accordingly, the Company has classified ₹ 142,757 million from non-current borrowings to current maturities of long-term debt.</p> <p>Borrowings has been identified as a key audit matter due to debt covenant testing, change in credit ratings of the loans and various correspondences received from banks and financial institutions for additional security / increase in interest rate resulting in recognition, presentation and measurement complexities.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We tested the debt covenant ratio specified in the loan agreements and the computation and assessed the classification of the borrowing in financial statement based on the results of such testing.</li> <li>• We obtained the independent confirmation from the bank with respect to borrowings and non-fund based facilities [including bank guarantees/letter of credit] outstanding as at March 31, 2020 and compared the amounts as per confirmations with the amounts in the books of accounts and tested with the reconciliation provided by the management.</li> <li>• We verified the interest rate used by the Company for computation of interest cost with the loan agreements and correspondences received by the Company from respective banks and corresponding increase in rate due non-remediation of debt covenant and downgrade in credit rating.</li> <li>• We verified the security created against fund and non-fund facilities with the agreements and documents related to charges filed with Register of Companies.</li> <li>• We assessed the borrowing related accounting policy and disclosures in the standalone Ind AS financial statements for compliance as per Ind AS 107.</li> </ul>

### Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report is expected to be made available to us after that date of this auditor's report.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the

audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019;
  - (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 42 to the standalone Ind AS financial statements;
    - ii. The Company did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per **Nilangshu Katriar**  
Partner  
Membership Number: 58814  
UDIN: 20058814AAAABR5503

Place: Mumbai  
Date: June 30, 2020



## Annexure 1 to the Independent Auditor's Report

Annexure referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements'

### Re: Vodafone Idea Limited (formerly known as Idea Cellular Limited) ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including situation and quantitative information except for certain assets being relocated as part of network integration activity, which are pending updation in the records maintained by the Company.
- (b) The Company has a programme of physical verification of fixed assets to cover all the items in phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to such programme, physical verification for a portion of fixed assets due during the year were initiated and not completed by the management due to COVID-19. Hence, we are unable to comment on the discrepancies, if any, that may arise upon such verification.
- (c) According to information and explanations given by the management and based on the examination of the financial statements/registered deed/transfer deed/conveyance deed/court approved scheme of arrangements or amalgamations, the title deeds of all freehold land, leasehold land and buildings disclosed as property, plant and equipment are held in the name of the Company. In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statement, based on our examination of the lease agreements/court approved scheme of arrangements or amalgamations, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to Telecommunication Services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to sales tax, service tax, value added tax and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues were outstanding, as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ Mn)
Income Tax Act, 1961	Income Tax	Appellate Tribunal	2000-01 to 2014-15, 2016-17	123,009
Income Tax Act, 1961	Income Tax	Assessing Officer	2003-04, 2008-09, 2009-10	188
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	2015-16, 2017-18	18,186
Income Tax Act, 1961	Income Tax	Calcutta High Court	2003-04, 2009-10 to 2012-13	198
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	1999-00 to 2018-19	45,414
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	1996-97, 2002-03, 2004-05, 2006-07, 2009-10	198
Income Tax Act, 1961	Income Tax	Dispute Resolution Panel	2015-16	1,667
Income Tax Act, 1961	Income Tax	High Court for the State of Telangana	2003-04 to 2008-09, 2013-14, 2014-15	310
Income Tax Act, 1961	Income Tax	High court of Andhra Pradesh	2009-10 to 2015-16	271
Income Tax Act, 1961	Income Tax	High Court of Delhi	2010-11	8
Income Tax Act, 1961	Income Tax	High Court of Gujarat	2002-03 to 2003-04, 2007-08 to 2009-10	294
Income Tax Act, 1961	Income Tax	High Court of Karnataka	2001-02 to 2002-03, 2007-08 to 2014-15	3,874
Income Tax Act, 1961	Income Tax	High Court of Madhya Pradesh	2006-07 to 2008-09	130
Income Tax Act, 1961	Income Tax	High Court of Punjab & Haryana	2009-10, 2010-11	39
Income Tax Act, 1961	Income Tax	Madras High Court	2006-07, 2007-08, 2011-12 to 2013-14	116
Income Tax Act, 1961	Income Tax	Rajasthan High Court	2010-11, 2011-12 to 2012-13	44
Income Tax Act, 1961	Income Tax	Supreme Court of India	2002-03 to 2009-10, 2011-12, 2012-13	240
Income Tax Act, 1961	Income Tax	The High Court of Judicature at Patna	2008-09, 2009-10	24
<b>Total of Income Tax</b>				<b>194,210</b>
The Customs Act, 1962	Custom Duty	Assistant/Deputy Commissioner of Customs	2012-13 to 2014-15	4
The Customs Act, 1962	Custom Duty	Commissioner of Customs	2001-02, 2004-05, 2005-06, 2007-08, 2012-13 to 2018-19	153
The Customs Act, 1962	Custom Duty	Commissioners of Customs (Appeals)	2008-09 to 2015-16, 2017-18 to 2019-20	79
The Customs Act, 1962	Custom Duty	Customs Excise & Service Tax Appellate Tribunal	2006-07 to 2018-19	7,157
The Customs Act, 1962	Custom Duty	Madras High Court	2008-09	7
The Customs Act, 1962	Custom Duty	Supreme Court of India	2002-03, 2006-07, 2008-09	205
The Customs Act, 1962	Custom Duty	Deputy Commissioner of Custom	2014-15	- *
<b>Total of Custom Duty</b>				<b>7,606</b>
The Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise	1999-00	7
The Central Excise Act, 1944	Excise Duty	Customs Excise & Service Tax Appellate Tribunal	2003-04, 2004-05	8
<b>Total of Excise Duty</b>				<b>15</b>
The Finance Act, 1994	Service Tax	Adjudicating Authority	2008-09, 2011-12, 2012-13	25
The Finance Act, 1994	Service Tax	Assistant Commissioner of Service Tax	2010-11	8
The Finance Act, 1994	Service Tax	Calcutta High Court	2004-05 to 2007-08	52
The Finance Act, 1994	Service Tax	Commissioner of Central Excise & Service Tax (Appeals)	2004-05, 2005-06, 2007-08 to 2009-10, 2012-13 to 2015-16	83
The Finance Act, 1994	Service Tax	Commissioner of Service Tax (Appeal)	1995-96 to 1999-00, 2010-11 to 2016-17	3,798
The Finance Act, 1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal	2001-02 to 2017-18	26,744

Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ Mn)
The Finance Act, 1994	Service Tax	High Court for the State of Telangana	2007-08	320
The Finance Act, 1994	Service Tax	High court of Andhra Pradesh	2004-05 to 2008-09	25
The Finance Act, 1994	Service Tax	High Court of Bombay	1999-00 to 2011-12, 2014-15	386
The Finance Act, 1994	Service Tax	High Court of Delhi	2004-05 to 2011-12	91
The Finance Act, 1994	Service Tax	High Court of Gujarat	2006-07 to 2007-08, 2009-10, 2010-11	107
The Finance Act, 1994	Service Tax	High Court of Karnataka	2004-05 to 2008-09	101
The Finance Act, 1994	Service Tax	High Court of Kerala	2008-09	31
The Finance Act, 1994	Service Tax	High Court of Punjab & Haryana	1998-99, 2002-03, 2004-05 to 2008-09	94
The Finance Act, 1994	Service Tax	High Court of Judicature at Allahabad	2005-06 to 2007-08	98
The Finance Act, 1994	Service Tax	Joint Commissioner of Central Excise	2008-09 to 2010-11	24
The Finance Act, 1994	Service Tax	Madras High Court	2004-05 to 2008-09	167
The Finance Act, 1994	Service Tax	Supreme Court of India	1999-00 to 2017-18	2,131
<b>Total of Service Tax</b>				<b>34,285</b>
Rajasthan Goods and Services Tax Act, 2017	Goods and Services Tax	Commissioner of Commercial Taxes, (Appeal)	2017-18, 2018-19	3
The Madhya Pradesh Goods and Services Tax Act, 2017	Goods and Services Tax	Joint Commissioner (Appeals)	2017-18	- *
Uttar Pradesh Goods and Service Tax Act, 2017	Goods and Services Tax	Additional Commissioner (Appeals) GST	2017-18 to 2018-19	1
<b>Total of Goods and Service Tax Act</b>				<b>4</b>
Delhi Sales Tax Act, 1975	Sales Tax	Additional Commissioner (Appeals)	2002-03	2
The Central Sales Tax Act, 1956	Sales Tax	Amensty Scheme	2012-13, 2014-15	1
The Central Sales Tax Act, 1956	Sales Tax	Appellate and Revisional Board	2009-10, 2011-12, 2013-14 to 2014-15	12
The Central Sales Tax Act, 1956	Sales Tax	Appellate Authority	2011-12, 2014-16 to 2015 -16	13
The Central Sales Tax Act, 1956	Sales Tax	Appellate Tribunal	2005-06 to 2009-10, 2014-15 - 2015-16	114
The Central Sales Tax Act, 1956	Sales Tax	Assessing Officer	2007-08 to 2010-11	10
The Central Sales Tax Act, 1956	Sales Tax	Calcutta High Court	2011-12, 2015-16	17
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Commercial Taxes	2011-12 to 2014-15, 2016-17 to 2017-18	54
The Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2007-08, 2008-09, 2011-12 to 2014-15, 2016-17	122
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Sales Tax (Appeal)	2015-16 to 2017-18	22
The Central Sales Tax Act, 1956	Sales Tax	Commissioner of Commercial Taxes, (Appeal)	2010-11, 2011-2012, 2013-2014 to 2015-16	6
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner Commercial Taxes (Appeal)	2011-12 to 2013-14	- *
The Central Sales Tax Act, 1956	Sales Tax	Joint excise and taxation commissioner (Appeal)	2012-2013	- *
The Central Sales Tax Act, 1956	Sales Tax	Trade Tax Tribunal	2010-2011	- *
The Central Sales Tax Act, 1956	Sales Tax	Assistant commissioner of Commercial Taxes	2013- 14, 2015-16	33
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner Commercial Taxes	2011-12	1
Gujarat Sales Tax Act, 1969	Sales Tax	Appellate Tribunal	1997-98 to 2001-02	9

Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ Mn)
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	Appellate Tribunal	2000-01, 2004-05	2
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	High Court of Madhya Pradesh	2003-04, 2004-05	11
Kerala Sales tax Act, 1963	Sales Tax	Deputy Commissioner of Commercial Taxes	1998-99	- *
Kerala Sales tax Act, 1963	Sales Tax	State Tax Tribunal	1997-98	- *
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	Joint Commissioner (Appeals)	2003-04	1
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Appellate Tribunal	2002-04, 2005-06 to 2009-10	6
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer	2014-15	- *
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Joint Commissioner (Appeals)	2014-15	- *
Delhi Value Added Tax Act, 2004	Value Added Tax	Appellate Tribunal	1997-98 to 2004-05, 2006-07 to 2007-08, 2010-11	505
Delhi Value Added Tax Act, 2004	Value Added Tax	Joint Commissioner (Appeals)	2005-06, 2007-08 to 2008-09	1
Delhi Value Added Tax Act, 2004	Value Added Tax	Commissioner of Commercial Taxes, (Appeal)	2005-06, 2008-09, 2009-10,	18
Gujarat Value Added Tax Act, 2003	Value Added Tax	Appellate Tribunal	2006-07	9
Gujarat Value Added Tax Act, 2003	Value Added Tax	Assessing Officer	2005-06 to 2006-07	1
Gujarat Value Added Tax Act, 2003	Value Added Tax	Commissioner of Commercial Taxes	2013-14 to 2014-15	6
Gujarat Value Added Tax Act, 2003	Value Added Tax	Deputy Commissioner of Commercial Taxes	1998-99	8
Gujarat Value Added Tax Act, 2003	Value Added Tax	State Tax Tribunal	2012-13 to 2013-14	1
Karnataka Value Added Tax Act, 2003	Value Added Tax	Additional/Joint Commissioner of Commercial Taxes	2012-13	3
Kerala Value Added Tax Act, 2003	Value Added Tax	Appellate Tribunal	1997-98, 2006-07, 2009-10	19
Kerala Value Added Tax Act, 2003	Value Added Tax	Assistant Commissioner	2013-14, 2016-17	1
Kerala Value Added Tax Act, 2003	Value Added Tax	Assistant Commissioner of Commercial Tax	2008-09	35
Kerala Value Added Tax Act, 2003	Value Added Tax	Commercial Tax Officer	2011-12 to 2012-13	- *
Kerala Value Added Tax Act, 2003	Value Added Tax	Deputy Commissioner (Appeals)	2011-12, 2014-15 to 2015-16	- *
Kerala Value Added Tax Act, 2003	Value Added Tax	Deputy Commissioner of Commercial Taxes	2015-16	- *
Kerala Value Added Tax Act, 2003	Value Added Tax	High Court of Kerala	2011-12 to 2012-13	449

Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ Mn)
Kerala Value Added Tax Act, 2003	Value Added Tax	Intelligence Officer	2012-13	- *
Kerala Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner (Appeals)	2012-13 to 2013-14	1
Kerala Value Added Tax Act, 2003	Value Added Tax	Deputy Commissioner of Sales Tax	2011-12	1
Kerala Value Added Tax Act, 2003	Value Added Tax	Commissioner of Commercial Taxes, (Appeal)	2007-08, 2015-16 to 2016-17	2
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Appellate Board	2012-13	1
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	High Court of Madhya Pradesh	2011-12	15
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2014-15	- *
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Supreme Court of India	2011-12 to 2013-14	8
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	State Tax Tribunal	2005-06 to 2011-12	65
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Additional Commissioner Commercial Taxes (Appeal)	2010-11	5
Punjab Value Added Tax Act, 2005	Value Added Tax	Deputy Commissioner of Commercial Taxes	2012-13	- *
Tamilnadu Value Added Tax Act, 2006	Value Added Tax	Additional Commissioner of Commercial Taxes	2007-08 to 2011-12, 2012-13, 2015-16	1
Tamilnadu Value Added Tax Act, 2006	Value Added Tax	Appellate Authority	2013-14	2
Tamilnadu Value Added Tax Act, 2006	Value Added Tax	Appellate Tribunal	2003-04	- *
The Bihar Value Added Tax Act, 2005	Value Added Tax	Appellate Tribunal	2008-09 to 2017-18	109
The Bihar Value Added Tax Act, 2005	Value Added Tax	Deputy Commissioner of Commercial Taxes	2005-06 to 2007-08	2
The Bihar Value Added Tax Act, 2005	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2016-17	- *
The Bihar Value Added Tax Act, 2005	Value Added Tax	Commissioner of Commercial Taxes, (Appeal)	2011-12, 2014-15, 2016-17	4
The Haryana Value Added Tax Act, 2003	Value Added Tax	Assessing Officer	2002-03 to 2005-06	80
The Haryana Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2006-07 to 2007-08	10
The Haryana Value Added Tax Act, 2003	Value Added Tax	Deputy Commissioner Appeals	2010-11	14
The Haryana Value Added Tax Act, 2003	Value Added Tax	High court of Punjab and Haryana	2006-07 to 2008-09	76
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	Appellate Tribunal	2010-11	11
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2001-02 to 2004-05, 2007-08 to 2008-09, 2013-14	24



Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ Mn)
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Assistant Commercial Taxes Officer	2015-16	- *
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Commercial Taxes Officer	2001-02	1
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	Additional Commissioner Commercial Tax	2009-10, 2016-17	1
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	Additional Commissioner of Commercial Taxes	2007-08	- *
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	Deputy Commissioner of Commercial Taxes	2008-09, 2011-12	6
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	High Court of Judicature at Allahabad	2003-04 to 2004-05	2
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2005-06 to 2006-07, 2009-10, 2014-15	1
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	Commissioner of Commercial Taxes, (Appeal)	2008-09	25
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	Trade Tax Tribunal	2005-06 to 2007-08, 2009-10, 2012-13	127
Uttar Pradesh Value Added Act, 2008	Value Added Tax	Additional Commissioner (Appeals)	2010-11 to 2015-16, 2017-18	10
Uttar Pradesh Value Added Act, 2008	Value Added Tax	Appellate Tribunal	2005-06 to 2007-08	1
Uttar Pradesh Value Added Act, 2008	Value Added Tax	High Court of Judicature at Allahabad	2006-07 to 2007-08	1
Uttar Pradesh Value Added Act, 2008	Value Added Tax	Deputy Commissioner of Sales Tax	2005-06 to 2018-19	22
Uttar Pradesh Value Added Act, 2008	Value Added Tax	Deputy Commissioner Appeals	2016-17	- *
West Bengal Value Added Tax Act, 2003	Value Added Tax	Appellate and Revisional Board	2006-07, 2009-10 to 2011-12, 2013-14 to 2015-16	21
West Bengal Value Added Tax Act, 2003	Value Added Tax	Appellate Tribunal	2007-08, 2011-12, 2015-16, 2017-18	39
West Bengal Value Added Tax Act, 2003	Value Added Tax	Calcutta High Court	2000-02 to 2002-03	250
West Bengal Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2008-09 to 2009-10, 2012-13	1
West Bengal Value Added Tax Act, 2003	Value Added Tax	Commissioner of Commercial Taxes, (Appeal)	2016-17 to 2017-18	42
West Bengal Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner of Commercial Taxes	2008-09, 2014-15	- *
Rajasthan Value Added Tax, 2003	Value Added Tax	Assistant Commercial Taxes Officer	2011-12 to 2013-14	- *
The Odissa Value Added Tax, 2004	Value Added Tax	Joint Commissioner (Appeals)	2012-13	- *
<b>Total of Sales Tax &amp; Value Added Tax</b>				<b>2,477</b>

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

Of the above cases, total amount deposited in respect of Income Tax is ₹ 71,954 Mn, Service Tax is ₹ 1,976 Mn, Sales Tax, Value Added Tax and Goods and Service Tax Act is ₹ 294 Mn, Custom Duty is ₹ 329 Mn.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions, banks, debenture holders or government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of further public offer (Rights Issue) for the purposes for which they were raised. The Company has not raised any money by way of initial public offer, debt instruments and term loans.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that during the current year, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by

the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per **Nilangshu Katriar**  
Partner  
Membership Number: 58814  
UDIN: 20058814AAAABR5503

Place: Mumbai  
Date: June 30, 2020

## Annexure 2 to the Independent Auditor's Report

of even date on the Standalone Financial Statements of Vodafone Idea Limited

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

We have audited the internal financial controls over financial reporting of Vodafone Idea Limited (formerly known as Idea Cellular Limited) ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial

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

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

### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with

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

#### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal

control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per **Nilangshu Katriar**  
Partner  
Membership Number: 58814  
UDIN: 20058814AAAABR5503

Place: Mumbai  
Date: June 30, 2020

## Balance Sheet as at March 31, 2020

Particulars	Notes	₹ Mn	
		As at March 31, 2020	As at March 31, 2019 (refer note 40(vii))
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment (including RoU Assets)	7	607,052	493,417
Capital work-in-progress	7	8,598	23,325
Intangible assets	8	1,193,533	1,273,203
Intangible assets under development	8	966	27,443
Financial assets			
Non-current investments	9	45,040	66,581
Long term loans to employees		2	8
Other non-current financial assets	10	82,309	10,277
Deferred tax assets (net)	55	-	89,353
Other non-current assets	11	133,161	154,040
<b>Total non-current assets (A)</b>		<b>2,070,661</b>	<b>2,137,647</b>
<b>CURRENT ASSETS</b>			
Inventories		-	3
Financial assets			
Current investments	12	4,548	67,088
Trade receivables	13	29,191	33,081
Cash and cash equivalents	14	3,223	6,763
Bank balance other than cash and cash equivalents	15	22,115	1,085
Loans to subsidiaries, joint venture and others	16	8,421	13,396
Other current financial assets	17	69,628	720
Other current assets	18	81,076	70,930
<b>Total current assets (B)</b>		<b>218,202</b>	<b>193,066</b>
<b>Total Assets (A+B)</b>		<b>2,288,863</b>	<b>2,330,713</b>



## Balance Sheet as at March 31, 2020

Particulars	Notes	₹ Mn	
		As at March 31, 2020	As at March 31, 2019 (refer note 40(vii))
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	287,354	87,356
Other equity	20	(197,341)	547,848
<b>Total equity (A)</b>		<b>90,013</b>	<b>635,204</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Long term borrowings	21	962,804	1,044,029
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,656	8,678
Other non-current financial liabilities	22	273,904	97,383
Long term provisions	23	3,293	3,392
Other non-current liabilities	24	1,224	4,235
<b>Total non-current liabilities (B)</b>		<b>1,247,881</b>	<b>1,157,717</b>
<b>CURRENT LIABILITIES</b>			
<b>Financial liabilities</b>			
Short term borrowings	25	1,542	41,207
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	47	102	178
Total outstanding dues of creditors other than micro enterprises and small enterprises		114,702	126,574
Other current financial liabilities	26	373,696	300,627
Other current liabilities	27	460,464	68,835
Short term provisions	28	463	371
<b>Total current liabilities (C)</b>		<b>950,969</b>	<b>537,792</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>2,288,863</b>	<b>2,330,713</b>
The accompanying notes are an integral part of the Financial Statements			

As per our report of even date

For S.R. Batliboi &amp; Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Nilangshu Katriar

Partner

Membership No.: 58814

Place: Mumbai

Date : June 30, 2020

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

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Akshaya Moondra

Chief Financial Officer

Place: Jodhpur

Ravinder Takkar

Managing Director &amp; Chief Executive Officer

(DIN : 01719511)

Place: London

Pankaj Kapdeo

Company Secretary

Place: Mumbai

## Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Notes	₹ Mn	
		For the year ended March 31, 2020	For the year ended March 31, 2019 (refer note 40(vii))
<b>INCOME</b>			
Service revenue		446,827	367,668
Sale of trading goods		3	6
Other operating income	29	320	921
<b>Revenue from operations</b>		<b>447,150</b>	<b>368,595</b>
Other income	30	10,861	10,747
<b>Total income</b>		<b>458,011</b>	<b>379,342</b>
<b>Operating Expenditure</b>			
Cost of trading goods		3	36
Employee benefit expenses	31	19,726	21,214
Network expenses and IT outsourcing cost	32	109,849	169,259
License fees and spectrum usage charges	33	48,476	39,243
Roaming and access charges	34	59,976	41,690
Subscriber acquisition and servicing expenditure	35	29,886	28,537
Advertisement, business promotion expenditure and content cost	36	11,707	10,391
Other expenses	37	21,353	18,646
		<b>300,976</b>	<b>329,016</b>
<b>PROFIT/(LOSS) BEFORE FINANCE COSTS, DEPRECIATION, AMORTISATION, EXCEPTIONAL ITEMS AND TAX</b>		<b>157,035</b>	<b>50,326</b>
Finance costs	38	153,772	95,510
Depreciation	7	147,902	77,074
Amortisation	8	90,986	67,024
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>(235,625)</b>	<b>(189,282)</b>
Exceptional items (net)	39	(387,242)	12,367
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(622,867)</b>	<b>(176,915)</b>
Tax expense:			
- Current tax	54	-	1
- Deferred tax	54 & 55	108,448	(36,363)
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>(731,315)</b>	<b>(140,553)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Equity instrument through other comprehensive losses		(19,403)	(4,621)
Income tax effect on equity instrument through other comprehensive losses	54 & 55	1,229	1,076
Re-measurement gains/(losses) on defined benefit plans	51	(253)	534
Income tax effect on defined benefit plans	54 & 55	185	(187)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(18,242)</b>	<b>(3,198)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>(749,557)</b>	<b>(143,751)</b>
<b>Earnings/(Loss) per equity share of ₹ 10 each:</b>	56		
Basic (₹)		(26.97)	(16.49)
Diluted (₹)		(26.97)	(16.49)
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

Nilangshu Katriar  
Partner  
Membership No.: 58814

Place: Mumbai  
Date : June 30, 2020

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

Himanshu Kapania  
Director  
(DIN : 03387441)  
Place: Mumbai

Akshaya Moondra  
Chief Financial Officer  
Place: Jodhpur

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

Pankaj Kapdeo  
Company Secretary  
Place: Mumbai

## Statement of Changes in Equity for the year ended March 31, 2020

### A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 10 each issued, subscribed and fully paid

	₹ Mn	
	Numbers	Amount
<b>As at April 1, 2018</b>	4,359,320,930	43,593
Issue of shares pursuant to amalgamation of Vodafone Mobile Services Limited ('VMSL') and Vodafone India Limited ('VInL') with the Company (refer note 3(A))	4,375,199,464	43,752
Issue of shares under Employee Stock Option Scheme (ESOS)	1,037,935	11
<b>As at March 31, 2019</b>	<b>8,735,558,329</b>	<b>87,356</b>
Allotment of equity shares under Rights Issue (refer note 40(i))	19,999,830,911	199,998
<b>As at March 31, 2020</b>	<b>28,735,389,240</b>	<b>287,354</b>

## Statement of Changes in Equity for the year ended March 31, 2020

## B. OTHER EQUITY

Particulars	Reserves and surplus										Total
	Capital reserve (refer note 20(i))	Capital reduction reserve 20(ii)	Debt redemption reserve	Securities premium	Amalgamation adjustment deficit account (refer note 20(v))	General reserve	Retained earnings	Employee stock options reserve	Business Restructuring Reserve	Equity instrument through other comprehensive income	
As at April 1, 2018	(12,476)	-	4,408	193,354	-	20,863	16,135	802	25,409	13,920	262,415
Pursuant to merger of Idea Telesystems Limited (ITL) (refer note 40(viii))	-	-	-	-	(36)	-	190	-	-	-	154
Restated balance as at April 1, 2018	(12,476)	-	4,408	193,354	(36)	20,863	16,325	802	25,409	13,920	262,569
Profit/(Loss) for the year ended March 31, 2019	-	-	-	-	-	-	(140,553)	-	-	-	(140,553)
Other comprehensive income/(loss) for the year ended March 31, 2019	-	-	-	-	-	-	347	-	-	(3,545)	(3,198)
Total comprehensive income/(loss)	-	-	-	-	-	-	(140,206)	-	-	(3,545)	-
Pursuant to amalgamation of Vodafone Mobile Services Limited (VMSL) and Vodafone India Limited (VInL) with the Company (refer note 3(A))	165	277,787	-	842,139	(488,408)	1,393	(118,935)	-	-	-	514,141
Pursuant to merger of Vodafone India Digital Limited (VIDL) (refer note 40(vii))	-	-	-	-	-	-	(2)	-	-	-	(2)
Settlement assets/liability (refer note 3(B))	(85,015)	-	-	-	-	-	-	-	-	-	(85,015)
Issue of share under ESOS	-	-	-	1	-	-	-	-	-	-	1
Stamp duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	-	-	(83)	-	-	-	-	-	-	(83)
Share-based payment expenses <sup>(1)</sup> (refer note 50)	-	-	-	-	-	-	-	(12)	-	-	(12)
Transfer to Securities premium account on exercise of options	-	-	-	121	-	-	-	(121)	-	-	-
As at March 31, 2019	(97,326)	277,787	4,408	1,035,532	(488,444)	22,256	(242,818)	669	25,409	10,375	547,848
Transition impact of Ind AS 116 (refer note 2(B)(a))	-	-	-	-	-	-	(44,649)	-	-	-	(44,649)
Restated balance as at April 1, 2019	(97,326)	277,787	4,408	1,035,532	(488,444)	22,256	(287,467)	669	25,409	10,375	503,199
Profit/(Loss) for the year ended March 31, 2020	-	-	-	-	-	-	(731,315)	-	-	-	(731,315)
Other comprehensive income/(loss) for the year ended March 31, 2020	-	-	-	-	-	-	(68)	-	-	(18,174)	(18,242)
Total comprehensive income/(loss)	-	-	-	-	-	-	(731,383)	-	-	(18,174)	-
Settlement assets/liability (refer note 3(B))	(136)	-	-	-	-	-	-	-	-	-	(136)
Allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn) (refer note 40(i))	-	-	-	49,166	-	-	-	-	-	-	49,166
Share-based payment expenses <sup>(1)</sup> (refer note 50)	-	-	-	-	-	-	-	(13)	-	-	(13)
As at March 31, 2020	(97,462)	277,787	4,408	1,084,698	(488,444)	22,256	(1,018,850)	656	25,409	(7,799)	(197,341)

<sup>(1)</sup>The charge for the year is net of reversal on account of cancellation of unvested options.

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Nilangshu Katriar  
Partner  
Membership No.: 58814

Place: Mumbai  
Date: June 30, 2020

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

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

Himanshu Kapania  
Director  
(DIN : 03387441)  
Place: Mumbai

Akshaya Moondra  
Chief Financial Officer  
Place: Jodhpur

Pankaj Kapdeo  
Company Secretary  
Place: Mumbai

## Statement of Cash Flows for the year ended March 31, 2020

₹ Mn

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Operating activities</b>		
Loss before tax	(622,867)	(176,915)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Depreciation of property, plant and equipment (including RoU assets)	147,902	77,074
Amortisation of intangible assets	90,986	67,024
Share-based payment expense (ESOS)	(95)	242
Gain on disposal of property, plant and equipment and intangible assets (net)	-	(86)
Accelerated depreciation on account of network re-alignment (refer note 39)	57,269	5,589
License fees and SUC on AGR (refer note 39)	274,886	-
One Time Spectrum Charges (refer note 39)	38,871	-
Provision for impairment towards its loan receivable/investment in subsidiaries/associate (refer note 39)	6,224	-
Finance costs (including fair value change in financial instruments)	153,772	95,510
Provision for gratuity and compensated absences	(286)	(674)
Bad debts/advances written off	5,274	28
Allowance for doubtful debts / advances	(2,187)	2,278
Liabilities/provisions no longer required written back	(109)	(580)
Gain on sale of subsidiary	-	(37,644)
Other income	(10,861)	(10,747)
<b>Working capital adjustments</b>		
(Increase)/Decrease in trade receivables	(665)	3,270
Decrease in inventories	3	364
(Increase) in other financial and non-financial assets	(28,788)	(4,348)
(Decrease)/Increase in trade payables	(12,194)	42,106
(Decrease) in other financial and non-financial liabilities	(52,559)	(11,422)
<b>Cash flows from operating activities</b>	<b>44,576</b>	<b>51,069</b>
Income tax refund (including TDS) (net)	24,634	1,815
<b>Net cash flows from operating activities</b>	<b>69,210</b>	<b>52,884</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(76,510)	(76,369)
Payment towards deferred spectrum liability	(3,978)	-
Payment towards -one time spectrum charges	-	(39,263)
Proceeds from sale of property, plant and equipment and intangible assets	1,700	576
Proceeds from sale of subsidiary	-	42,303
Additional investment in subsidiaries and associate (including advance given for purchase of shares)	(650)	(860)
Net sale/(purchase) of current investments	65,423	(3,760)
Loans given to subsidiary	(155)	-
Repayment of loan given to subsidiary	1,684	-
Interest received	5,833	1,292
Fixed deposits with banks having maturity of 3 to 12 months	(16,500)	-
Dividend received from joint venture (Indus)	-	2,990
<b>Net cash flows used in investing activities</b>	<b>(23,153)</b>	<b>(73,091)</b>



## Statement of Cash Flows for the year ended March 31, 2020

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Financing activities</b>		
Proceeds from issue of equity shares on exercise of share options	-	1
Proceeds from allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn) (refer note 40(i))	249,164	-
Stamp duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	(83)
Payment of interest and finance charges <sup>(1)</sup>	(152,508)	(50,793)
Payment of lease liabilities (refer note 43)	(65,816)	-
Proceeds from long term borrowings	-	58,072
Repayment of long term borrowings	(40,517)	(12,432)
Proceeds from short term borrowings	35,136	33,712
Repayment of short term borrowings	(74,225)	(57,603)
<b>Net cash flows used in financing activities</b>	<b>(48,766)</b>	<b>(29,126)</b>
<b>Net decrease in cash and cash equivalents during the year</b>	<b>(2,709)</b>	<b>(49,333)</b>
Cash and cash equivalents at the beginning of the year	5,893	(27)
Add: Cash and cash equivalent on amalgamation of VMSL and VInL with the Company (net of bank overdraft ₹ Nil (March 31, 2019: ₹ 5,991 Mn)) (refer note 3(A))	-	55,249
Add: Pursuant to merger of Vodafone India Digital Limited (refer note 40(vii))	-	4
<b>Cash and cash equivalents at the end of the year</b>	<b>3,184</b>	<b>5,893</b>

<sup>(1)</sup> Includes interest payment on deferred payment liabilities forming part of long term borrowings.

## 1. Cash and Cash Equivalents include the following Balance Sheet amounts

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash on hand	34	81
Cheques on hand	26	456
Balances with banks		
In current accounts	2,494	6,219
In deposit accounts	669	7
	3,223	6,763
Less: Bank overdraft which forms an integral part of cash management (refer note 25)	(39)	(870)
	3,184	5,893

## Statement of Cash Flows for the year ended March 31, 2020

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

₹ Mn

Particulars	Borrowing including current maturities	Changes in derivative liabilities (net)	Interest accrued but not due	Lease liabilities
<b>Balance as at April 1, 2018</b>	579,635	84	27,808	-
(i) Cash flow Items				
Net proceed/(repayment) of borrowings	21,749	-	-	-
Payment of Interest and finance charges	(9,023)	(70)	(41,700)	-
(ii) Non - cash items				
Addition pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	622,436	(2,452)	26,331	-
Foreign exchange (gain)/loss	1,389	-	(1,389)	-
Finance cost accrued (charged to profit and loss/ capitalised)	-	3,003	95,452	-
Upfront fees amortisation	907	-	(907)	-
Interest on Asset retirement obligation	-	-	(9)	-
Accrued interest on deferred payment liability for spectrum and others transferred to borrowing on anniversary date	41,436	-	(41,436)	-
<b>Balance as at March 31, 2019</b>	<b>1,258,529</b>	<b>565</b>	<b>64,150</b>	<b>-</b>
Transition impact of Ind AS 116	-	-	-	284,029
<b>Restated balance as at April 1, 2019</b>	<b>1,258,529</b>	<b>565</b>	<b>64,150</b>	<b>284,029</b>
(i) Cash flow Items				
Net proceed/(repayment) of borrowings	(79,606)	-	-	-
Payment of Interest and finance charges	(104,555)	(55)	(47,898)	-
Payment towards Spectrum and Licenses - Deferred payment liability	(3,978)	-	-	-
Payment of lease liabilities (refer note 43)	-	-	-	(65,816)
(ii) Non - cash items				
Foreign exchange (gain)/loss	2,341	-	(2,341)	-
Finance cost accrued (charged to profit and loss/ capitalised)	-	(1,332)	128,979	26,125
Upfront fees amortisation	206	-	(206)	-
Interest on Asset retirement obligation	-	-	(27)	-
Interest related to vendors and other liabilities	-	-	(3,373)	-
Accrued interest on deferred payment liability for spectrum and others transferred to borrowing on anniversary date	78,199	-	(78,199)	-
Addition of lease liabilities (refer note 43)	-	-	-	33,161
Deletion of lease liabilities (refer note 43)	-	-	-	(8,969)
<b>Balance as at March 31, 2020</b>	<b>1,151,136</b>	<b>(822)</b>	<b>61,085</b>	<b>268,530</b>

3. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows. The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Nilangshu Katriar  
Partner  
Membership No.: 58814

Place: Mumbai  
Date : June 30, 2020

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

Himanshu Kapania  
Director  
(DIN : 03387441)  
Place: Mumbai

Akshaya Moondra  
Chief Financial Officer  
Place: Jodhpur

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

Pankaj Kapdeo  
Company Secretary  
Place: Mumbai

## Notes forming part of the Financial Statements

### 1. CORPORATE INFORMATION

Vodafone Idea Limited (formerly Idea Cellular Limited) ('the Company'), a public limited company, was incorporated under the provisions of the Companies Act applicable in India on March 14, 1995. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (Scrip Code; NSE: IDEA, BSE: 532822). The registered office of the Company is situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar – 382011, Gujarat. The Company is one of the leading telecom service providers in India. The Company is engaged in the business of Mobility and Long Distance services.

These financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 30, 2020.

### 2(A) STATEMENT OF COMPLIANCE

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

### (B) BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All financial information presented in INR has been rounded off to million unless otherwise stated.

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

Effective April 1, 2019, the Company has adopted Ind AS 116 on Leases basis the modified retrospective method for all lease contracts that are live as at April 1, 2019 (being the date of initial application). Accordingly, the comparative information has not been restated.

### NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

#### a. Ind AS 116 'Leases'

Ind AS 116 which supersedes Ind AS 17 Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to recognise most leases on the Balance Sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessor will continue to classify

leases as either operating or finance using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is a lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the practical expedient available on transition to grandfather the reassessment of whether a contract is, or contains a lease as at April 1, 2019. Accordingly, on initial application, the Company applied the standard only to contracts that were previously identified as leases. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

#### Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

#### Leases previously classified as operating leases

The Company recognised Right-of-Use (RoU) assets and lease liabilities for those leases previously classified as operating leases, except for leases of low-value assets. The RoU assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application.

In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Excluded the initial direct costs from the measurement of the RoU asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

## Notes forming part of the Financial Statements

The effect of adopting Ind AS 116 as on the transition date is as follows:

### Impact on Balance Sheet (Increase / (Decrease))

₹ Mn	
Particulars	April 1, 2019
<b>Assets</b>	
Right-of-Use assets (refer note 7)	245,209
Property, plant and equipment (refer note 7)	(4,747)
Intangible assets (refer note 8)	(18,585)
Deferred tax assets (net) (refer note 55)	17,677
Other current assets	(841)
<b>Total assets</b>	<b>238,713</b>
<b>Equity</b>	
Other equity (refer note 20)	(44,649)
<b>Total equity</b>	<b>(44,649)</b>
<b>Liabilities</b>	
Lease liabilities (refer notes 43)	284,029
Trade payables	(667)
<b>Total liabilities</b>	<b>283,362</b>

### Impact on Statement of Profit and Loss (Increase / (Decrease))

₹ Mn	
Particulars	Year ended March 31, 2020
Network expenses and IT Outsourcing cost	(88,268)
Other Expenses	(2,603)
Depreciation	(1,627)
Amortisation	(2,060)
<b>Total expenses before adoption of Ind AS 116</b>	<b>(94,558)</b>
Finance costs (refer note 38)	26,125
Depreciation (refer note 7)	64,192
Exceptional items (net) (refer note 39)	(2,172)
<b>Total expenses on adoption of Ind AS 116</b>	<b>88,145</b>
<b>Net Impact on Profit / (Loss) before tax on adoption of Ind AS 116</b>	<b>6,413</b>

While there is no impact on the overall cash flows, the operating cash flows reflect an increase of ₹ 65,816 Mn with a corresponding reduction in cash flows from financing activities for the year ended March 31, 2020.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to reduction on account of discounting of the lease liabilities as per the requirement of Ind AS 116, use of hindsight in determining the lease term where the contract contained options to extend or terminate the lease and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient and recognition exemptions as per the standard.

### b. Amendment to Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The amendment provides clarification on the uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit / (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initial application of Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The amendment is applicable from April 1, 2019 and has no impact on the financial statements.

### c. Amendment to Ind AS 12 'Income Tax'

The amendment clarifies that the income tax consequences of dividends including payments on financial instruments classified as equity, are linked more directly to past transactions or events that generated distributable profits rather than to distribution of such amounts to owners. Therefore, an entity shall recognise the income tax consequences of dividends in the Statement of Profit and Loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment is applicable from April 1, 2019 and has no impact on the financial statements.

### d. Amendment to Ind AS 23 'Borrowing Costs'

The amendment clarifies that for computing general rate of borrowed funds, an entity should exclude specific borrowing for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remains outstanding after the related qualifying asset is ready for use or sale should subsequently be considered as part of general borrowing costs of the entity.

The amendment is applicable from April 1, 2019 and has no impact on the financial statements.

### e. Amendment to Ind AS 19 'Employee Benefits'

The amendment clarifies that when a defined benefit plan is amended, curtailed or settled during a reporting period, the entity would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the period after the plan amendment, curtailment or settlement.

## Notes forming part of the Financial Statements

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendment is applicable from April 1, 2019 and has no impact on the financial statements.

### f. Amendment to Ind AS 109 'Financial Instruments'

The amendment clarifies that an exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion i.e. the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' for financial asset or a debt instrument which:

- i. have a prepayment feature that results in negative compensation
- ii. apart from the prepayment feature other features of financial assets would have contractual cash flows which would meet the SPPI criteria and
- iii. the fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. (If it is impracticable to assess based on facts and circumstances that existed on initial recognition, then exception would not be available)

Such financial assets or debt instrument could be measured at amortised cost or at FVTOCI based on business model within which they are held.

The amendment is applicable from April 1, 2019 and has no impact on the financial statements.

### g. Amendment to Ind AS 103 'Business Combination'

The amendment clarifies that, when a party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including re-measuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer re-measures its entire previously held interest in the joint operation.

The amendment is applicable from April 1, 2019 and has no impact on the financial statements.

### h. Amendment to Ind AS 28 'Investments in Associates and Joint Ventures'

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

The amendment is applicable from April 1, 2019 and has no impact on the financial statements.

### (C) NEW ACCOUNTING PRONOUNCEMENTS TO BE ADOPTED ON OR AFTER APRIL 1, 2020.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### 3. AMALGAMATION OF VODAFONE MOBILE SERVICES LIMITED ('VMSL') AND VODAFONE INDIA LIMITED ('VINL') WITH THE COMPANY

- (A) During the previous year, VMSL, Transferor Company 1 and VinL, Transferor Company 2 (collectively referred to as "erstwhile Vodafone" or "Transferor Companies") who were in the business of providing telecommunication services under the respective licenses issued to them by the Department of Telecom (DoT), merged in to Idea Cellular Limited ('ICL'), the Transferee Company. These companies had filed a scheme of amalgamation which was approved by their respective shareholders, creditors, Securities and Exchange Board of India (SEBI), Stock Exchanges, Competition Commission of India, Department of Telecommunications (DoT), Foreign Investment Promotion Board, Reserve Bank of India (RBI), NCLT and other required authorities / third parties and became effective on August 31, 2018, the date on which the scheme along with all approvals, (including final NCLT approval) were filed with the Registrar of Companies (RoC) at Ahmedabad. Upon the scheme becoming effective the Transferor Companies stood dissolved without being wound-up.

This resulted in formation of a joint venture between the promotor groups i.e. Vodafone Group and Aditya Birla Group and change of name of the Company from ICL to Vodafone Idea Limited (VIL). The Vodafone Group and Aditya Birla Group owns 45.1% and 26.0% in the combined Company, respectively, and the balance 28.9% was owned by other shareholders as on August 31, 2018.

In compliance with the scheme, on merger of Transferor Company 1 with the Transferee Company, 3,893,927,522 equity shares of VIL were issued to Transferor Company 2 being the 100% shareholder of Transferor Company 1. Immediately thereafter, on merger of Transferor Company 2 with the Transferee Company, these shares were cancelled and 4,375,199,464 equity shares were issued afresh to shareholders of VinL. The stamp duty paid on such issue amounting to ₹ 83 Mn was debited to Securities Premium Account.

As per Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, the Company had an option to either recognise contribution of business from the joint ventures using 'Pooling of interest' method or adopt the 'fair value' method. The Company adopted 'Pooling of interest' method. Accordingly, all the assets, liabilities and reserves of Transferor companies were recorded at their carrying amounts and in the form in which they appeared in the financial statements as at the date of merger of the respective Transferor Companies.

On the scheme becoming effective, the Company had consolidated line by line the assets, liabilities and components of Other Equity of each of the Transferor Companies after eliminating the inter-company transactions between these entities and adjustments with respect to alignment of accounting policies and practices through retained earnings.



## Notes forming part of the Financial Statements

The carrying values of each component of Other Equity of the Transferor companies which merged into the Company are as under:

Particulars	₹ Mn						
	Capital reserve	Capital reduction reserve	Securities premium	Amalgamation adjustment deficit account <sup>(1)</sup>	General reserve	Retained earnings	Total
Reserve of Transferor company 1	165	277,787	842,139	-	1,393	(136,739)	984,745
Alignment of accounting policies and practices	-	-	-	-	-	17,804	17,804
Investment of Transferor Company 2 into Transferor Company 1	-	-	-	(477,723)	-	-	(477,723)
Difference between share capital of Transferor Company 1 and Transferor Company 2 and share capital issued by Transferee Company	-	-	-	(10,685)	-	-	(10,685)
<b>Total</b>	<b>165</b>	<b>277,787</b>	<b>842,139</b>	<b>(488,408)</b>	<b>1,393</b>	<b>(118,935)</b>	<b>514,141</b>

<sup>(1)</sup> On amalgamation, the effect of cancellation of investment of Transferor Company 2 into Transferor Company 1 of ₹ 477,723 Mn, and difference between share capital of Transferor Companies of ₹ 33,067 Mn and shares issued by the Company of ₹ 43,752 Mn to the shareholders of the Transferor Companies have resulted into creation of the amalgamation adjustment deficit account being debit balance in accordance with the guidance given under education material on Ind-AS 103 issued by The Institute of Chartered Accountants of India.

(B) The Implementation Agreement entered between the parties defined a settlement mechanism between the Company and the promoters of erstwhile ViInL for any cash inflow/outflow that could possibly arise from the settlement of certain outstanding disputes pertaining to the period until May 31, 2018. Accordingly, the Company had recorded a net settlement liability of ₹ 83,923 Mn as of March 31, 2019, of which ₹ 85,015 Mn was recorded through capital reserve, on merger. The liability was disclosed as other non-current financial liability as at March 31, 2019. During the year, pursuant to the Hon'ble Supreme Court's Judgment on the definition of AGR (refer note 4(A)), the Company has recognised settlement assets resulting in the net liability position shifting to a net settlement asset amounting to ₹ 83,687 Mn, being the amount capped for such settlements and disclosed as Current and Non-Current Financial Assets as applicable. The settlement of this asset / (liability) as the case may be would happen periodically as defined in the Agreement starting from June 2020 but not beyond June 2025. In the event such disputed matters do not finally result in cash inflows/outflows within the defined period, there would be no settlement to/from the erstwhile ViInL promoters by/to the Company. The settlement between the Company and ViInL promoters for any cash outflow that could possibly arise shall be subject to RBI approval, if any, which would be evaluated/obtained at the time of actual settlement if any to ViInL promoters

4(A) The Hon'ble Supreme Court on October 24, 2019 delivered its judgement ('AGR judgment') on cross appeals against the Hon'ble TDSAT judgment dated April 23, 2015, wherein it has held that the definition of Gross Revenue under Clause 19 of the UASL is all encompassing and comprehensive. Hon'ble Supreme Court has further held that the Gross Revenue definition shall prevail over the Accounting Standards and is binding on the parties to the contract / License Agreement. The Hon'ble Supreme Court has then dealt with different heads of revenue / inflow and has held that these will fall within the definition of Adjusted Gross Revenue (AGR). The order upheld the principal demand, levy of interest, penalty and interest on penalty. Further, the Hon'ble Supreme

Court directed vide the supplementary order of the same date, the payment of the entire AGR dues to be made within 3 months from the date of the order.

A Review Petition filed by the Company and some of the telecom operators against the above AGR Judgement was dismissed on January 16, 2020. Thereafter, the Company filed an application for modification of the Supplementary Order before the Hon'ble Supreme Court of India on January 20, 2020, seeking permission to submit an application to Department of Telecom ('DoT') to decide upon the schedule of payment of AGR dues.

The matter came up for hearing on February 14, 2020 when the Hon'ble Supreme Court issued notices to the Managing Director / Directors of all Telecom Service Providers (TSPs) in view of the non-payment of AGR dues pursuant to the AGR Judgement. The Company has filed a detailed affidavit placing on record the financial position of the Company as also a detailed reply to place on record as to why the Company was unable to make the payments.

On March 16, 2020, DoT also filed a modification application with the Hon'ble Supreme Court to allow reasonable time to the TSPs, considering staggered payments with interest to duly protect the net present value and to cease the current applicable interest after a particular date. Subsequently, on March 18, 2020, the Hon'ble Supreme Court heard the matters and inter alia ordered that no exercise of self-assessment / re-assessment is to be done and the AGR dues which were placed before the Hon'ble Supreme Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court stated that the DoT's modification application would be considered on the next date of hearing.

On June 11, 2020, the modification application filed by DoT came up for hearing. The Hon'ble Supreme Court directed the TSPs to file their proposals, within 5 days, as to the time frame required by the TSPs to make the payment and what kind of securities, undertakings and guarantees should be furnished to ensure that the AGR dues are paid. On June 16, 2020, the Company filed an

## Notes forming part of the Financial Statements

affidavit before the Hon'ble Supreme Court inter alia supporting the DoT's proposal that 20 years' timeframe be granted to make the payments of AGR dues. On June 18, 2020, Hon'ble Supreme Court inter alia considered the affidavit filed by the Company and other TSPs and directed all the TSPs to: (i) file audited Balance Sheets for the last 10 years including for the year ending March 31, 2020; (ii) Income Tax Returns and the particulars of AGR deposited during the last 10 years; and (iii) to make payments of reasonable amount also to show bonafide, before the next date of hearing. The Company has already made payments of ₹ 68,544 Mn in three installments during the quarter ended March 31, 2020 towards AGR dues. The matter was directed to be listed in the 3<sup>rd</sup> week of July 2020.

The DoT in its modification application has provided a statement of preliminary assessed AGR dues for an amount of ₹ 582,540 Mn including the principal, interest, penalty and interest on penalty up to FY 2016-17. The Company has recognized a total estimated liability of ₹ 459,607 Mn as at March 31, 2020. This is based on the DoT demands (mainly up to the periods ending March 31, 2017 and some beyond) after adjustment for certain computational errors and payments made in the past not considered in DoT demands and estimates made by the Company for the periods thereafter for which demands have not been received, together with interest, penalty and interest on penalty all taken for periods up to March 31, 2020. The total estimated liability is offset by consequential adjustments on satisfaction of contractual conditions under a mechanism as per the Implementation Agreement dated March 20, 2017 entered on merger of erstwhile Vodafone and ICL in relation to the crystallization of certain contingent liabilities which existed at the time of merger (refer note 3(B)). Accordingly, the net impact of these effects amounting to ₹ 274,886 Mn has been recognized as Exceptional items during the year. The total estimated liability of ₹ 459,607 Mn stands reduced as at March 31, 2020 to the extent of payment ₹ 68,544 Mn made as mentioned above.

- (B) As at March 31, 2020, the Company has classified ₹ 142,757 Mn (includes ₹ 95,972 Mn reclassified as at March 31, 2019) from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at March 31, 2020 (refer note 21(b)). The Company had exchanged correspondences/ been in discussions with these lenders for the next steps/waivers. During the year, the credit rating of certain borrowings have been revised to BB-. As a result, certain lenders have asked for increase of interest rates, for which the Company is in discussion with such lenders. Further, guarantees amounting to ₹ 128,448 Mn are due to expire during the next twelve months.

The above factors indicate that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due. The Company's ability to continue as a going concern is essentially dependent on a positive outcome of the application before the Hon'ble Supreme Court for the payment in installments and successful negotiations with lenders. Pending the outcome of the above matters, these financial results have been prepared on a going concern basis.

### 5. SIGNIFICANT ACCOUNTING POLICIES

#### a) Revenue from contracts with customers

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

#### i. Revenue from supply of services

Revenue on account of telephony services (post-paid and prepaid categories, roaming, interconnect and long distance services) is recognised on rendering of services. Fixed Revenues in the post-paid category are recognised over the period of rendering of services. Processing fees on recharge vouchers in case of prepaid category is recognised over the validity of such vouchers.

Revenue from other services (internet services, mobile advertisement, revenue from toll free services, etc.) is recognised on rendering of services. Revenue from passive infrastructure is recognised on rendering of services.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Multiple element contracts:

Bundle packages that include multiple elements, at the inception of the arrangement, the Company determines whether it is necessary to separate the separately identifiable elements and apply the corresponding revenue recognition policy to each element. Total package revenue is allocated among the identified elements based on their relative standalone price.

#### ii. Unbilled income

Unbilled Income is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs its obligation by transferring goods or services to a customer before the same is invoiced

## Notes forming part of the Financial Statements

to the customer, unbilled income is recognised for the earned consideration that is conditional on satisfaction of performance obligation.

### iii. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 5(q) Financial instruments – initial recognition and subsequent measurement.

### iv. Advance from customer and deferred revenue

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

### v. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### vi. Dividends

Dividend Income is recognised when the Company's right to receive the payment is established.

### vii. Cost to obtain a contract

The Company pays sales commission to its channel partners for each contract that they obtain. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortisation period of the asset that the Company otherwise would have used is one year or less.

## b) Leases

### Leases accounted under Ind AS 116 w.e.f April 1, 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### i. Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Company's lease asset classes primarily consist of leases for passive infrastructure for cell sites and immovable properties.

### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment (Refer note 5(l)).

### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification i.e. a change in the lease term or a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The re-measurement of lease liability is done by discounting the revised lease payments using the Company's incremental borrowing rate at the effective date of modification.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

## Notes forming part of the Financial Statements

### ii. Company as a lessor

#### Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

The Company enters into agreements which entitle its customers the right to use of specified capacity of dark fibre / bandwidth capacity for a specific period of time. Under such arrangements, the rights to use the specified assets are given for a substantial part of the estimated useful life of such assets. The contracted price received upfront in advance is treated as deferred revenue and is recognised on a straight line basis over the agreement period.

#### Leases accounted under Ind AS 17 upto March 31, 2019

The Company evaluates whether an arrangement is (or contains) a lease based on the substance of the arrangement at the inception of the lease. An arrangement which is dependent on the use of a specific asset or assets and conveys a right to use the asset or assets, even if it is not explicitly specified in an arrangement is (or contains) a lease.

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### i. Company as a lessee

#### Finance lease:

Assets held under finance leases are initially recognised as assets at the commencement of the lease at their fair value or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance costs and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Such assets are depreciated / amortised over the period of lease or estimated useful life of the assets whichever is less. Contingent rentals are recognised as expenses in the periods in which they are incurred.

#### Operating lease:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis unless

payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Contingent rentals arising, if any, under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### ii. Company as a lessor

#### Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

The Company enters into agreements which entitle its customers the right to use of specified capacity of dark fibre / bandwidth capacity for a specific period of time. Under such arrangements, the rights to use the specified assets are given for a substantial part of the estimated useful life of such assets. The contracted price received upfront in advance is treated as deferred revenue and is recognised on a straight line basis over the agreement period.

### c) Employee benefits

#### i. Defined Contribution Plan

Contributions to Provident and other funds are funded with the appropriate authorities and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

Contributions to Superannuation Fund are funded with the Life Insurance Corporation of India and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

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

#### ii. Defined Benefit Plan

The Company has a defined benefit gratuity plan which is a combination of funded plan and unfunded plan. In



## Notes forming part of the Financial Statements

case of funded plan, the Company makes contribution to a separately administered fund with the Life Insurance Corporation of India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimation of the payments. Any deficit in plan assets managed by LIC as compared to the liability based on an independent actuarial valuation is recognised as a liability. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

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

- Service costs; and
- Net interest expense or income

### iii. Short-term and other long-term employee benefits

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

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date. The related re-measurements are recognised in the Statement of Profit and Loss in the period in which they arise.

### iv. Share-based payments

Equity-settled share-based payments to employees for options granted by the Company to its employees are measured at the fair value of the equity instruments at the grant date.

Stock option of Vodafone Group Plc (VGPLc) granted to the employees of the Company are accounted as cash-settled share based payments by the Company.

The fair value determined at the grant date of the equity settled share-based payments is expensed over the period in which the performance or service conditions are fulfilled, based on the Company's estimate of stock options that will eventually vest, with a corresponding increase in equity. The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to

vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve or liability as applicable.

In respect of cancellation of unvested stock options, the amount already charged as share based payment expense is reversed under the same head in the Statement of Profit and Loss.

In respect of modification such as re-pricing of existing stock option, the difference in fair value of the option on the date of re-pricing is accounted for as share based payment expense over the remaining vesting period.

### d) Annual Revenue Share License Fees – and Spectrum Usage Charges

The variable license fees and annual spectrum usage charges, computed basis of adjusted gross revenue, are charged to the Statement of Profit and Loss in the period in which the related revenue arises as per the license agreement of the licensed service area at prescribed rate.

### e) Foreign currency transactions

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

Transactions in foreign currencies are initially recorded at the INR spot rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised on net basis within finance cost in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

### f) Exceptional items

Items of income or expense which are non-recurring or outside of the ordinary course of business and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company are disclosed as Exceptional items in the Statement of Profit and Loss.

### g) Taxes

Income tax expense represents the sum of current tax and deferred tax.

#### i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.



## Notes forming part of the 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.

### h) Current / Non – Current Classification

An asset is classified as current when

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

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

A liability is classified as current when

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

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

### i) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods, or for administrative purposes, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment, non-refundable duties and borrowing cost relating to qualifying assets. In line with the transitional provisions, exchange differences on long term foreign currency borrowings taken on or before March 31, 2016 are continued to be capitalized under PPE. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold Land is not depreciated. Depreciation on all other assets under PPE commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.

Asset Retirement Obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. ARO is measured based on present value of expected cost to settle the obligation.

Particulars	Estimated useful life (in years)
Buildings	25 to 30
Leasehold Improvements	Period of lease or 10 years whichever is lower
Network Equipments	7 to 9
Optical Fibre*	15
Other Plant and Equipment	2 to 5
Office Equipments	3 to 5
Computers and servers	3 to 5
Furniture and Fixtures	5 to 10
RoU Assets	
-Land & Building	Over the period of lease
-Cell sites	Over the period of lease
-Bandwidth (IRU)	Over the period of agreement
-Others	3 to 5
Motor Vehicles	2 to 5

\* These assets are transferred to subsidiary pursuant to demerger of fibre assets from October 1, 2019 (refer 40 (iv)).

## Notes forming part of the Financial Statements

An item of property, plant and equipment and any significant part which meets the criteria for asset held for sale will be reclassified from property, plant and equipment to asset held for sale. When any significant part of property, plant and equipment is discarded or replaced, the carrying value of discarded / replaced part is derecognized. Any gains or losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss on the date of retirement or disposal.

### j) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period, residual value and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on straight line method as under:

- Cost of spectrum is amortised on straight line method from the date when the related network is ready for intended use over the unexpired period of the spectrum.
- Cost of licenses is amortised on straight line method from the date of launch of circle/renewal of license over the unexpired period of the license.
- Software, which is not an integral part of hardware, is treated as an intangible asset and is amortised over its useful economic life as estimated by the management between 3 to 5 years.
- Bandwidth capacities acquired under Indefeasible Right to Use (IRU) basis is accounted for as intangible assets and amortised over the period of the agreement till March 31, 2019. From April 1, 2019 these assets are reclassified to RoU assets on adoption of Ind AS 116.
- Brand - Separately acquired brand is shown at historical cost. Subsequently brand is carried at cost less accumulated amortisation and impairment loss, if any. The Company amortises brand using the straight line method over the estimated useful life of 15 years.

Cost of Intangible assets under development represents cost of intangible assets not ready for intended use as on the reporting date. It includes the amount of spectrum allotted to the Company and related borrowing costs (that are directly attributable to the acquisition or construction of qualifying assets) if any, for which network is not yet ready.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### k) Non – Current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and its sale is highly probable. The sale is considered highly probable only when the asset or disposal groups is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and the sale is expected to be completed within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

Non-current assets that ceases to be classified as held for sale are measured at lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

### l) Impairment of Non – Financial Assets

Tangible assets (including ROU assets) and Intangible assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to 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

## Notes forming part of the Financial Statements

impairment loss is reversed only if there has been a change in estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### m) Investment in Subsidiaries, Associate and Joint Arrangements

The Company recognises its investment in subsidiaries, joint ventures and associate at cost less any impairment losses, if any except investment in Indus which has been accounted for at Fair value through other comprehensive income.

### n) Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the finance costs.

### o) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### p) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### q) Financial Instruments

#### Initial recognition and measurement

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the

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

#### i. Financial assets

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

#### Subsequent measurement

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

- Financial assets measured at amortised cost
- Financial assets measured at fair value through profit or loss (FVTPL)
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

#### I. Financial assets measured at amortised cost

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

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

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

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

#### II. Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

## Notes forming part of the Financial Statements

### Derecognition

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

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

### Impairment of financial assets

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

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

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

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

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

For the purpose of measuring the expected credit loss for trade receivables, the Company estimates irrecoverable

amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively depending on their significance. Individual trade receivables are written off when management deems them not to be collectible on assessment of facts and circumstances. Refer note 13.

### III. Financial assets measured at 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 OCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other (gains)/losses (net). Interest income from these financial assets is included in other income using the effective interest rate method.

### ii. Financial liabilities

#### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

### I. Financial liabilities measured 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.

### II. Financial liabilities measured at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

#### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. In case, an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the



## Notes forming part of the Financial Statements

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. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to manage its foreign currency risks and interest rate risks, respectively. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency and interest exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

#### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative instrument. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

### iv. Offsetting financial instruments

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

### r) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing

the asset or liability, assuming that market participants act in their best economic interest.

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

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

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

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

### s) Dividend distribution to equity holders

Dividends paid / payable along with applicable taxes are recognised when it is approved by the shareholders. In case of interim dividend, it is recognised when it is approved by the Board of Directors and distribution is no longer at the discretion of the Company. A corresponding amount is accordingly recognised directly in equity.

### t) Earnings per share

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

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

### u) Onerous Contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.



## Notes forming part of the Financial Statements

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

### v) Provisions and Contingent Liabilities

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

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

#### i. Asset Retirement Obligation (ARO)

ARO is provided for those lease arrangements where the Company has a binding obligation to restore the said location / premises at the end of the period in a condition similar to inception of the arrangement. The restoration and decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

#### ii. Contingent Liabilities

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

### w) Business Combinations

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

## 6. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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

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

### Estimates and Assumptions

#### i. Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using Black & Scholes model to determine the fair value of the liability incurred. Share issued by Vodafone Group Plc., is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 50.

#### ii. Taxes

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

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

Minimum alternative tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the respective companies will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement

## Notes forming part of the Financial Statements

of Profit and loss and is included in Deferred Tax Assets. The respective companies review the same at each Balance Sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that respective companies will be able to absorb such credit during the specified period. For further details about taxes refer note 54 and 55.

### iii. Defined benefit plans (gratuity and compensated absences benefits)

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 51(A).

### iv. Allowance for Trade receivable

For the purpose of measuring the expected credit loss for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively depending on their significance. Individual trade receivables are written off when management deems them not to be collectible on assessment of facts and circumstances. Refer note 13.

### v. Useful life of Property, Plant and Equipment

The useful life to depreciate property, plant and equipment is based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset, and manufacturers' warranties, maintenance and support period, etc. The charge for the depreciation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in note 7.

### vi. Impairment of Non-financial assets

Non-financial assets i.e. Property, Plant and Equipment (including CWIP), RoU assets and Intangible assets (including Intangible assets under development) 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). The recoverable amount is the fair value less costs of disposal calculated based on available information and sensitive to the discount rate, valuation techniques, expected future cash inflows and the growth rate. Refer note 62.

### vii. Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain specific estimates such as Company's credit rating.

### viii. Leases - Estimate of lease period

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

### ix. Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Evaluations of uncertain provisions and contingent liabilities and assets requires judgement and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts. Refer note 42 for further details about Contingent liabilities.

### x. Impact of COVID-19 (Global pandemic)

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The Ministry of Home Affairs vide order No.40-3/2020 dated March 24, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While in the initial period of lockdown, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted, the services to our customers continued without any material disruption. As on the date of these results, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).

## Notes forming part of the Financial Statements

₹ Mn

Particulars	Freehold land	Leasehold Land	Buildings	Leasehold Improvement	Plant and machinery <sup>(5)</sup>	Furniture and fixtures	Office equipments	Vehicles	RoU Assets (refer note 43)	Total
<b>7 PROPERTY, PLANT AND EQUIPMENT (INCLUDING ROU ASSETS)</b>										
<b>Cost</b>										
As at April 1, 2018	116	-	856	223	382,338	962	997	1,803	-	387,295
Pursuant to merger of Idea Telesystems Limited (refer note 40(vii))	3	-	3	-	-	-	-	-	-	6
<b>Restated balance as at April 1, 2018</b>	<b>119</b>	<b>-</b>	<b>859</b>	<b>223</b>	<b>382,338</b>	<b>962</b>	<b>997</b>	<b>1,803</b>	<b>-</b>	<b>387,301</b>
Pursuant to amalgamation of VMSL and VnL with the Company (refer note 3(A))	66	180	552	1,313	440,473	988	1,358	23	-	444,953
Additions	-	-	-	13	67,088	3	75	149	-	67,328
Disposals/Adjustments	-	-	(3)	(310)	(9,219)	(199)	(90)	(355)	-	(10,176)
<b>As at March 31, 2019</b>	<b>185</b>	<b>180</b>	<b>1,408</b>	<b>1,239</b>	<b>880,680</b>	<b>1,754</b>	<b>2,340</b>	<b>1,620</b>	<b>-</b>	<b>889,406</b>
Transition impact of Ind AS 116 (refer note 2(B)(a))	-	-	-	-	-	-	-	-	221,097	221,097
Reclassification on adoption of Ind AS 116 (refer note 2(B)(a))	-	(180)	-	-	(19,115)	-	-	-	45,025	25,730
<b>Restated balance as at April 1, 2019</b>	<b>185</b>	<b>-</b>	<b>1,408</b>	<b>1,239</b>	<b>861,565</b>	<b>1,754</b>	<b>2,340</b>	<b>1,620</b>	<b>266,122</b>	<b>1,136,233</b>
Additions	7	-	-	7	105,120	21	43	2	33,440	138,640
Disposals/Adjustments	-	-	(25)	(11)	(30,328)	(79)	(138)	(236)	(12,031)	(42,848)
Transfer to subsidiary pursuant to demerger of fiber assets (refer note 40(iv))	-	-	-	-	(69,033)	-	-	-	-	(69,033)
<b>As at March 31, 2020</b>	<b>192</b>	<b>-</b>	<b>1,383</b>	<b>1,235</b>	<b>867,324</b>	<b>1,696</b>	<b>2,245</b>	<b>1,386</b>	<b>287,531</b>	<b>1,162,992</b>
<b>Accumulated Depreciation</b>										
As at April 1, 2018	-	-	172	93	140,864	339	533	751	-	142,752
Pursuant to amalgamation of VMSL and VnL with the Company (refer note 3(A))	-	6	58	958	177,616	746	922	10	-	180,316
Depreciation charge for the year	-	2	60	116	75,917	301	331	347	-	77,074
Disposals/Adjustments <sup>(4)</sup>	-	-	-	(233)	(3,540)	(126)	(77)	(177)	-	(4,153)
<b>As at March 31, 2019</b>	<b>-</b>	<b>8</b>	<b>290</b>	<b>934</b>	<b>390,857</b>	<b>1,260</b>	<b>1,709</b>	<b>931</b>	<b>-</b>	<b>395,989</b>
Reclassification on adoption of Ind AS 116 (refer note 2(B)(a))	-	(8)	-	-	(14,540)	-	-	-	20,913	6,365
<b>Restated balance as at April 1, 2019</b>	<b>-</b>	<b>-</b>	<b>290</b>	<b>934</b>	<b>376,317</b>	<b>1,260</b>	<b>1,709</b>	<b>931</b>	<b>20,913</b>	<b>402,354</b>
Depreciation charge for the year	-	-	70	63	82,825	220	295	237	64,192	147,902
Disposals/Adjustments <sup>(4)</sup>	-	-	(12)	(3)	26,305	(49)	(56)	(154)	(663)	25,368
Transfer to subsidiary pursuant to demerger of fiber assets (refer note 40(iv))	-	-	-	-	(19,684)	-	-	-	-	(19,684)
<b>As at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>994</b>	<b>465,763</b>	<b>1,431</b>	<b>1,948</b>	<b>1,014</b>	<b>84,442</b>	<b>555,940</b>
<b>Net Book Value</b>										
As at March 31, 2020	192	-	1,035	241	401,561	265	297	372	203,089	607,052
As at March 31, 2019	185	172	1,118	305	489,823	494	631	689	-	493,417
<b>Restated balance as at April 1, 2018</b>	<b>119</b>	<b>-</b>	<b>687</b>	<b>130</b>	<b>241,474</b>	<b>623</b>	<b>464</b>	<b>1,052</b>	<b>-</b>	<b>244,549</b>

## Footnotes:

- As at March 31, 2019, plant and machinery included gross block of assets capitalised under finance lease ₹ 19,115 Mn and corresponding accumulated depreciation being ₹ 14,540 Mn. Further, additions in plant and machinery for the year ended March 31, 2019 included gross block of assets capitalised under finance lease ₹ 2,119 Mn and corresponding accumulated depreciation being ₹ 204 Mn. As at April 1, 2019, these assets have been reclassified to RoU assets on adoption of Ind AS 116.
- Refer note 21(a) for assets pledged as securities towards funded and non-funded facilities.
- Net foreign exchange loss/(gain) amounting to ₹ Nil capitalised during the year (March 31, 2019: ₹ 397 Mn).
- Disposals/Adjustments include accelerated depreciation charge of ₹ 59,441 Mn (March 31, 2019 : ₹ 5,589 Mn) on account of network re-alignment and integration cost and disclosed under exceptional items (refer note 39).
- Plant & Machinery and CWIP includes certain assets acquired on extended credit terms for which the title will be transferred to the Company upon final payment to the equipment suppliers as per the contract terms. Gross Block, Net Block and CWIP of such assets as on March 31, 2020 is ₹ 44,597 Mn, ₹ 41,650 Mn and ₹ 2,603 Mn respectively.
- Capital work-in-progress as on March 31, 2020 is ₹ 8,598 Mn (March 31, 2019: ₹ 23,325 Mn).

## Notes forming part of the Financial Statements

₹ Mn

Particulars	Entry / license fees and spectrum	Brand	Computer - Software	Bandwidth	Total
<b>8 INTANGIBLE ASSETS</b>					
<b>Cost</b>					
As at April 1, 2018	607,993	-	5,158	14,455	627,606
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A)) <sup>(5)</sup>	709,701	25,945	10,178	8,708	754,532
Additions <sup>(7)</sup>	144,599	-	1,821	1,856	148,276
Disposals/Adjustments	-	-	(34)	(69)	(103)
<b>As at March 31, 2019</b>	<b>1,462,293</b>	<b>25,945</b>	<b>17,123</b>	<b>24,950</b>	<b>1,530,311</b>
Reclassification on adoption of Ind AS 116 (refer note 2(B)(a))	-	-	-	(24,950)	(24,950)
<b>Restated balance as at April 1, 2019</b>	<b>1,462,293</b>	<b>25,945</b>	<b>17,123</b>	<b>-</b>	<b>1,505,361</b>
Additions	66,599	-	2,174	-	68,773
Disposals/Adjustments	(100)	-	(4)	-	(104)
<b>As at March 31, 2020</b>	<b>1,528,792</b>	<b>25,945</b>	<b>19,293</b>	<b>-</b>	<b>1,574,030</b>
<b>Accumulated Amortisation</b>					
As at April 1, 2018	69,616	-	3,243	2,439	75,298
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	105,606	199	6,564	2,464	114,833
Amortisation charge for the year	61,933	1,007	2,601	1,483	67,024
Disposals/Adjustments	-	-	(26)	(21)	(47)
<b>As at March 31, 2019</b>	<b>237,155</b>	<b>1,206</b>	<b>12,382</b>	<b>6,365</b>	<b>257,108</b>
Reclassification on adoption of Ind AS 116 (refer note 2(B)(a))	-	-	-	(6,365)	(6,365)
<b>Restated balance as at April 1, 2019</b>	<b>237,155</b>	<b>1,206</b>	<b>12,382</b>	<b>-</b>	<b>250,743</b>
Amortisation charge for the year	86,029	1,730	3,227	-	90,986
Disposals/Adjustments <sup>(7)</sup>	38,771	-	(3)	-	38,768
<b>As at March 31, 2020</b>	<b>361,955</b>	<b>2,936</b>	<b>15,606</b>	<b>-</b>	<b>380,497</b>
<b>Net Book Value</b>					
As at March 31, 2020	1,166,837	23,009	3,687	-	1,193,533
As at March 31, 2019	1,225,138	24,739	4,741	18,585	1,273,203

## Footnotes:

- Computer - software includes gross block of assets capitalised under finance lease ₹ 5,507 Mn (March 31, 2019: ₹ 5,507 Mn) and corresponding accumulated amortisation being ₹ 5,105 Mn (March 31, 2019 : ₹ 4,394 Mn). Additions in computer - software includes gross block of assets capitalised under finance lease ₹ Nil (March 31, 2019: ₹ 677 Mn) and corresponding accumulated amortization being ₹ Nil (March 31, 2019: ₹ 181 Mn).
- Interest amounting to ₹ Nil (March 31, 2019 : ₹ 2,548 Mn) has been capitalised during the year.
- Entry / license fee and spectrum gross block ₹ 46,583 Mn and Net block ₹ 28,545 Mn range from 1.5 years to 7.4 years and Entry / license fee and spectrum gross block ₹ 1,482,209 Mn and Net block ₹ 1,138,292 Mn range from 11 years to 18.5 years (March 31, 2019 : gross block ₹ 46,283 Mn and Net block ₹ 38,261 Mn range from 2.5 years to 8.4 years and Entry / license fee and spectrum gross block ₹ 1,416,010 Mn and Net block ₹ 1,186,877 Mn range from 10 years to 18.5 years).
- Refer note 21(a) for computer software pledged as securities towards funded and non-funded facilities.
- Brand includes ₹ 25,945 Mn paid by VMSL and VInL on July 20, 2018 for using Vodafone brand in accordance of the terms of agreement for the period of 15 years.
- Intangible Assets under development as at March 31, 2020 is ₹ 966 Mn (March 31, 2019: ₹ 27,443 Mn). Amount added during the year ₹ 42,296 Mn (including interest of ₹ Nil), and amount capitalized during the year of ₹ 68,773 Mn (including interest of ₹ 3,695 Mn). As of March 31, 2020 intangible assets under development include interest amounting to ₹ Nil (March 31, 2019 : ₹ 3,695 Mn).
- Includes ₹ 38,871 Mn (March 31, 2019 : ₹ Nil) on account of One Time Spectrum Charges (refer note 40(viii)).

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
<b>9 NON-CURRENT INVESTMENTS (Unquoted)</b>		
<b>(A) Investments in Equity Instruments of Subsidiaries (at cost)</b>		
<b>Subsidiaries</b>		
Vodafone Idea Manpower Services Limited ('VIMSL')(formerly known as Idea Cellular Services Limited) 50,000 fully paid equity shares of ₹ 10 each	1	1
<b>Subsidiaries acquired pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))</b>		
Vodafone Idea Telecom Infrastructure Limited ('VITIL')(formerly known as Vodafone Towers Limited) 1,800,000 fully paid equity shares of ₹ 10 each	18	18
Vodafone Foundation ('VF') 200 fully paid equity shares of ₹ 10 each	_*	_*
Vodafone Idea Communication Systems Limited ('VICSL')(formerly known as Mobile Commerce Solutions Limited) 405,263,153 fully paid equity shares of ₹ 10 each	5,872	5,872
Vodafone Idea Business Services Limited ('VIBSL')(formerly known as Vodafone Business Services Limited) 50,000 fully paid equity shares of ₹ 10 each	_*	_*
Vodafone m-pesa Limited ('VMPL') <sup>(4)</sup> 237,099,380 fully paid equity shares of ₹ 10 each	5,231	-
Vodafone Idea Shared Services Limited ('VISSL')(formerly known as Vodafone India Ventures Limited) 2,000,000 fully paid equity shares of ₹ 10 each	20	20
You Broadband India Limited ('YBIL') 75,004,966 (March 31, 2019 : 47,345,392) fully paid equity shares of ₹ 10 each	3,402	2,752
Vodafone Idea Technology Solutions Limited ('VITSL')(formerly known as Vodafone Technology Solutions Limited) 500,000 fully paid equity shares of ₹ 10 each	5	5
<b>Total investment in subsidiaries (A)</b>	<b>14,549</b>	<b>8,668</b>
<b>(B) Investments in Equity Instruments of Associate (at cost)</b>		
Aditya Birla Idea Payments Bank Limited (ABIPBL) 2,787,930,750 fully paid equity shares of ₹ 10 each	2,788	2,788
<b>Total investment in associate (B)</b>	<b>2,788</b>	<b>2,788</b>
<b>(C) Investments in Equity Instruments of Joint Ventures</b>		
(i) Indus Towers Limited ('Indus') (FVTOCI) <sup>(1)</sup> 132,868 fully paid equity shares of ₹ 1 each	42,155	61,558
(ii) Firefly Networks Limited ('FNL') (FVTOCI) <sup>(2)</sup> 1,000,000 fully paid equity shares of ₹ 10 each	10	10
<b>Total investment in joint ventures (C)</b>	<b>42,165</b>	<b>61,568</b>
<b>Total (A+B+C)</b>	<b>59,502</b>	<b>73,024</b>
<b>Less:</b>		
Provision for impairment of Investment (D) <sup>(3) &amp; (4) &amp; (5)</sup>	14,462	6,443
<b>Total (A+B+C-D)</b>	<b>45,040</b>	<b>66,581</b>

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

<sup>(1)</sup> Subsequent to the balance sheet date, on May 26, 2020, the Company has pledged 132,868 equity shares of Indus held by the Company as security against certain non-fund based facilities in the nature of bank guarantees of ₹ 19,350 Mn with an option to get the pledge released by providing alternate security. Such pledge is executed by the Company as first ranking exclusive charge in favour of Security trustee for the benefit of the lender and its successor.

As at March 31, 2019, the Company had pledged 43,376 equity shares of Indus held by the Company as security against the short term loan of ₹ 30,318 Mn. Such pledge was executed by the Company as first ranking exclusive charge in favour of Security trustee for the benefit of the lender and its successor. Subsequent to the balance sheet date, such pledge has been released following the repayment of the short term loan on May 8, 2019.

<sup>(2)</sup> Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A)).

<sup>(3)</sup> During the current year, the Company has taken a provision for impairment amounting to ₹ 2,788 Mn towards its investment in ABIPBL (refer note 40(ii)).

<sup>(4)</sup> The investment in VMPL and related provision amounting to ₹ 5,231 Mn for impairment have been reclassified from 'Assets Held for Sale' basis the developments during the current year (refer note 40(iii)).

<sup>(5)</sup> During the previous year, the Company assessed the expected cash flows and the future plans of all its subsidiary Companies upon merger of VMSL and VInL with the Company and accordingly, recorded a provision for impairment of ₹ 4,300 Mn and ₹ 2,143 Mn for investment in VICSL and YBIL respectively.



## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
<b>10 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Deposits with body corporate and others (includes amount referred in note 57)		
- Considered Good	8,942	8,006
- Considered Doubtful	232	232
Deposits and balances with government authorities <sup>(1)</sup>	6,587	961
Derivative assets at fair value through profit or loss	131	80
Margin money deposits	2,624	6
Settlement assets (refer note 3(B))	62,801	-
Other receivable from joint venture (Indus) (refer note 57)	1,224	1,224
	82,541	10,509
Allowance for doubtful advances (refer note 48)	(232)	(232)
<b>Total</b>	<b>82,309</b>	<b>10,277</b>
<sup>(1)</sup> Includes amount with DoT amounting to ₹ 6,545 Mn (March 31, 2019: ₹ Nil)		
<b>11 OTHER NON-CURRENT ASSETS</b>		
Capital advances		
- Considered Good	38	302
- Considered Doubtful	2	4
Prepaid expenses	797	2,056
Advance income tax (net)	69,396	93,133
GST recoverable	4,509	-
Others (consisting mainly deposit against demands which are appealed against/subjudice)		
- Considered Good	58,421	58,549
- Considered Doubtful	1,432	1,433
	134,595	155,477
Allowance for doubtful advances (refer note 48)	(1,434)	(1,437)
<b>Total</b>	<b>133,161</b>	<b>154,040</b>
<b>12 CURRENT INVESTMENTS</b>		
Investment in units of liquid mutual funds (quoted) (refer note 45)	4,548	67,088
<b>Total</b>	<b>4,548</b>	<b>67,088</b>
<b>13 TRADE RECEIVABLES (Unsecured, unless otherwise stated) (refer note 57)</b>		
<b>Billed Receivables</b>		
Unsecured - Considered Good	23,826	24,815
Unsecured - Considered Doubtful	12,265	14,911
	36,091	39,726
Allowance for doubtful debts (refer note 48)	(12,265)	(14,911)
	23,826	24,815
<b>Unbilled Receivables</b>	5,365	8,266
<b>Total</b>	<b>29,191</b>	<b>33,081</b>
Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 501 Mn (March 31, 2019 : ₹ 682 Mn)		
<b>14 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	34	81
Cheques on hand	26	456
Balances with banks		
- In current accounts	2,494	6,219
- In deposit accounts (having maturity less than 3 months)	669	7
<b>Total</b>	<b>3,223</b>	<b>6,763</b>

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
<b>15 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Margin money <sup>(1)</sup>	5,611	1,081
Fixed deposits with banks having maturity of 3 to 12 months	16,500	-
Earmarked bank balance towards dividend	4	4
<b>Total</b>	<b>22,115</b>	<b>1,085</b>
<sup>(1)</sup> Includes fixed deposit of ₹ 1,904 Mn having maturity of 3 to 12 months held with banks as margin money deposit against bank guarantee and letter of credits issued by banks for a period ranging from 1 to 3 years.		
<b>16 LOANS TO SUBSIDIARIES, JOINT VENTURE AND OTHERS</b>		
Loans to related parties (refer note 57)		
Loans to Subsidiaries and Joint Venture <sup>(1)</sup>	11,941	13,470
Current portion of loans to employees	1	11
	11,942	13,481
Provision for impairment of loan <sup>(2)</sup>	(3,521)	(85)
<b>Total</b>	<b>8,421</b>	<b>13,396</b>
<sup>(1)</sup> Loans have been provided for general corporate purpose. The interest rate till December 31, 2019 is 7.50% p.a. and Nil effective January 1, 2020 for Subsidiaries (March 31, 2019 : 7.50% p.a.). The interest rate for Joint Venture is ranging from 8.75% p.a. to 9.80% p.a. (March 31, 2019: 8.75% p.a. to 9.80% p.a.). Maximum loan outstanding during the year is ₹ 13,625 Mn (March 31, 2019: ₹ 15,354 Mn).		
<sup>(2)</sup> Includes ₹ 2,630 Mn for loan to VIBSL (March 31, 2019: ₹ Nil), ₹ 806 Mn for loan to VMPL (March 31, 2019: ₹ Nil), ₹ 80 Mn for loan to VITSL (March 31, 2019: ₹ 80 Mn), ₹ 5 Mn for loan to VF (March 31, 2019: ₹ 5 Mn).		
<b>17 OTHER CURRENT FINANCIAL ASSETS</b>		
Interest Receivable		
- Considered Good	1,153	83
- Considered Doubtful	7	2
Deposits with body corporate and others	-	99
Derivative assets at fair value through profit or loss	691	167
Settlement assets <sup>(1)</sup> (refer note 3(B))	20,886	-
Business consideration receivable (refer notes 40(iv) & 57)	46,579	-
Other receivables (including amount referred to in note 57)		
- Considered Good	319	371
- Considered Doubtful	-	2
	69,635	724
Allowance for doubtful advances (refer note 48)	(7)	(4)
<b>Total</b>	<b>69,628</b>	<b>720</b>
<sup>(1)</sup> Subsequent to the Balance Sheet date, the Company has received ₹ 15,304 Mn as advance towards such settlement which will be adjusted at the time of subsequent settlement/(s).		
<b>18 OTHER CURRENT ASSETS</b>		
GST recoverable	77,707	67,129
Prepaid expenses	2,738	2,780
Others		
- Considered Good	631	1,021
- Considered Doubtful	365	130
	81,441	71,060
Allowance for doubtful advances (refer note 48)	(365)	(130)
<b>Total</b>	<b>81,076</b>	<b>70,930</b>

## Notes forming part of the Financial Statements

Particulars	₹ Mn			
	As at March 31, 2020		As at March 31, 2019	
	Numbers	Amount	Numbers	Amount
<b>19 EQUITY SHARE CAPITAL</b>				
<b>Authorised share capital<sup>(1)</sup></b>				
Equity Shares of ₹ 10 each	28,793,002,000	287,930	28,793,002,000	287,930
Redeemable cumulative non-convertible Preference shares of ₹10 Mn each	1,500	15,000	1,500	15,000
	28,793,003,500	302,930	28,793,003,500	302,930
<b>Issued, subscribed and paid-up share capital</b>				
Equity Shares of ₹10 each fully paid up	28,735,389,240	287,354	8,735,558,329	87,356
	28,735,389,240	287,354	8,735,558,329	87,356

<sup>(1)</sup> Pursuant to amalgamation of VMSL and VInL with the Company, authorised share capital ₹ 170,180 Mn of Transferor Company 1 (VMSL) and ₹ 50,000 Mn of Transferor Company 2 (VInL) stand transferred as authorised share capital of the Company (refer note 3(A)).

Particulars	₹ Mn			
	As at March 31, 2020		As at March 31, 2019	
	Numbers	Amount	Numbers	Amount
<b>(a) Reconciliation of number of shares outstanding</b>				
Equity shares outstanding at the beginning of the year	8,735,558,329	87,356	4,359,320,930	43,593
Issue of share under ESOS	-	-	1,037,935	11
Issue of right shares (refer note 40(i))	19,999,830,911	199,998	-	-
Issue of equity shares pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A)) <sup>(1)</sup>	-	-	4,375,199,464	43,752
Equity shares outstanding at the end of the year	28,735,389,240	287,354	8,735,558,329	87,356

<sup>(1)</sup> These shares are allotted as fully paid up pursuant to amalgamation of VMSL and VInL with the Company without payment being received in cash.

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

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

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

Name of the shareholders	As at March 31, 2020		As at March 31, 2019	
	Numbers	% holding in the class	Numbers	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b>				
Grasim Industries Limited	3,317,566,167	11.55%	1,008,540,115	11.55%
Euro Pacific Securities Limited	3,198,986,106	11.13%	792,754,922	9.08%
Prime Metals Limited	2,185,526,081	7.61%	664,399,929	7.61%
Oriana Investments Pte Ltd	2,147,307,225	7.47%	*	*
Mobilvest	1,675,994,466	5.83%	509,502,318	5.83%
Vodafone Telecommunications (India) Limited	1,624,511,788	5.65%	493,851,584	5.65%
Trans Crystal Limited	1,461,143,311	5.08%	444,187,567	5.08%
Axiata Investments 1 (India) Limited	*	*	464,734,670	5.32%

\* The percentage of shareholding as at the respective dates is less than 5% and hence not included above.

**(d) Shares reserved for issue under options**

Refer note 50 for details of shares reserved for issue under the employee stock option scheme.

## Notes forming part of the Financial Statements

		₹ Mn	
Particulars		As at March 31, 2020	As at March 31, 2019
20	<b>OTHER EQUITY</b>		
(i)	<b>Capital reserve<sup>(1)</sup></b>		
	Opening balance	(97,326)	(12,476)
	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	165
	Settlement assets/liability (refer note 3(B))	(136)	(85,015)
	<b>Closing balance (A)</b>	<b>(97,462)</b>	<b>(97,326)</b>
(ii)	<b>Capital reduction reserve<sup>(2)</sup></b>		
	Opening balance	277,787	-
	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	277,787
	<b>Closing balance (B)</b>	<b>277,787</b>	<b>277,787</b>
(iii)	<b>Debenture redemption reserve<sup>(3)</sup></b>		
	Opening balance	4,408	4,408
	Change during the year	-	-
	<b>Closing balance (C)</b>	<b>4,408</b>	<b>4,408</b>
(iv)	<b>Securities premium</b>		
	Opening balance	1,035,532	193,354
	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	842,139
	Premium on issue of shares under ESOS	-	1
	Transfer from Outstanding employee stock options reserve on exercise of options	-	121
	Stamp duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	(83)
	Allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn) (refer note 40(i))	49,166	-
	<b>Closing balance (D)</b>	<b>1,084,698</b>	<b>1,035,532</b>
(v)	<b>Amalgamation adjustment deficit account<sup>(4)</sup></b>		
	Opening balance	(488,444)	-
	Pursuant to merger of Idea Telesystems Limited (ITL) (refer note 40(vii))	-	(36)
	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	(488,408)
	<b>Closing balance (E)</b>	<b>(488,444)</b>	<b>(488,444)</b>
(vi)	<b>General Reserve</b>		
	Opening balance	22,256	20,863
	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A)) <sup>(5)</sup>	-	1,393
	<b>Closing balance (F)</b>	<b>22,256</b>	<b>22,256</b>
(vii)	<b>Retained Earnings</b>		
	Opening balance	(242,818)	16,135
	Pursuant to merger of Idea Telesystems Limited (ITL) (refer note 40(vii))	-	190
	Pursuant to merger of VIDL (refer note 40(vii))	-	(2)
	Transition impact of Ind AS 116 (refer note 2(B)(a))	(44,649)	-
	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	(118,935)
	Net Profit/(Loss) for the year	(731,315)	(140,553)
	Other Comprehensive Income/(Loss) recognised directly in retained earnings	(68)	347
	<b>Closing balance (G)</b>	<b>(1,018,850)</b>	<b>(242,818)</b>

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
<b>(viii) Employee stock options reserve</b>		
Opening balance	669	802
Share-based payment expenses (refer note 50)	(13)	(12)
Transfer to Securities premium account on exercise of options	-	(121)
<b>Closing balance (H)</b>	<b>656</b>	<b>669</b>
<b>(ix) Business restructuring reserve</b>		
Opening balance	25,409	25,409
Change during the year	-	-
<b>Closing balance (I)</b>	<b>25,409</b>	<b>25,409</b>
<b>(x) Reserve for equity Instrument through other comprehensive income</b>		
Opening balance	10,375	13,920
Other Comprehensive Income recognised directly in retained earnings	(18,174)	(3,545)
<b>Closing balance (J)</b>	<b>(7,799)</b>	<b>10,375</b>
<b>Total (A+B+C+D+E+F+G+H+I+J)</b>	<b>(197,341)</b>	<b>547,848</b>

<sup>(1)</sup> Capital reserve comprises of capital receipt, received as compensation from an erstwhile Joint Venture partner for failure to subscribe in the equity shares of VInL in earlier years, settlement liability created on merger of erstwhile Vodafone with the Company (refer note 3(B)) and amounts pursuant to merger of ABTL with the Company (refer note 40(vi)).

<sup>(2)</sup> Capital reduction reserve was created by VInL on distribution of share of VInL in Indus to share holders of VInL in accordance with capital reduction scheme. This reserve is not available for distribution as dividend.

<sup>(3)</sup> The Company was creating Debenture Redemption Reserve (DRR) till March 31, 2018 in accordance with the Companies Act, 2013. However, the reserve available for payment of dividend has turned to a negative value pursuant to amalgamation of VMSL and VInL into the Company. The Company has incurred losses during the current and previous year. Accordingly, the Company is not required to create any further DRR as per the Act and hence no DRR has been created during the year ended March 31, 2020 and March 31, 2019.

<sup>(4)</sup> The Company has accounted for the merger of VInL and VMSL with the Company under 'pooling of interest' method. Consequently, investment of VInL in VMSL, share capital of VInL and VMSL has been cancelled. The difference between the face value of shares issued by the Company and the value of shares and investment so cancelled has been recognized in Amalgamation Adjustment Deficit Account of ₹ (488,408) Mn (refer note 3(A)). Also pursuant to merger of ITL with the Company, share capital of ITL and investment of the Company have been cancelled. The difference between equity of ITL and investment of the Company of ₹ (36) Mn has been recongized in Amalgamation Adjustment Deficit Account (refer note 40 (vii)). From utilisation perspective, this is an unrestricted reserve.

<sup>(5)</sup> Not available for distribution as dividend.



## Notes forming part of the Financial Statements

		₹ Mn	
Particulars		As at March 31, 2020	As at March 31, 2019
<b>21 LONG TERM BORROWINGS</b>			
<b>Secured Loans</b>			
Redeemable Non-Convertible Debentures (NCDs)		-	50
<b>Term Loans</b>			
- Rupee loan from banks		9,950	57,424
Vehicle loan from banks		-	5
<b>Total Secured loans</b>		<b>9,950</b>	<b>57,479</b>
<b>Unsecured Loans</b>			
Redeemable Non-Convertible Debentures (NCDs)		74,828	103,527
<b>Term Loans</b>			
- Foreign currency loan from banks		1	2,914
- Rupee loan from Others		1,500	3,206
<b>Total Unsecured Loans</b>		<b>76,329</b>	<b>109,647</b>
<b>Subtotal (A)</b>		<b>86,279</b>	<b>167,126</b>
<b>Deferred Payment Liabilities towards Spectrum (unsecured) (B)</b>		<b>876,474</b>	<b>876,481</b>
<b>Deferred Payment Others (unsecured) (C)</b>		<b>51</b>	<b>422</b>
<b>Total (A+B+C)</b>		<b>962,804</b>	<b>1,044,029</b>

## (a) (i) Security clause

₹ Mn

Type of Borrowing	Outstanding Secured Loan Amount <sup>(1)</sup>		Security Offered <sup>(2)</sup>
	As at March 31, 2020	As at March 31, 2019	
9.45% Redeemable Non Convertible Debentures	-	3,960	Pari passu charge only on the tangible fixed assets excluding passive telecom infrastructure
8.12% Redeemable Non Convertible Debentures	-	50	First pari passu charge on movable fixed assets of the Company excluding:
Rupee Loan <sup>(3)</sup>	9,950	9,950	a) Spectrum and Telecom licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive telecom infrastructure
Rupee Loan <sup>(3)</sup>	77,500	80,000	First charge on all the movable assets (including current/non current assets), immovable assets and intangible assets of the Company excluding:
			a) Spectrum and Telecom Licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive Telecom Infrastructure
Vehicle Loans	3	44	Hypothecation of Vehicles against which the loans have been taken
<b>Sub-Total</b>	<b>87,453</b>	<b>94,004</b>	
Unamortised upfront fees	(1)	(34)	
<b>Total</b>	<b>87,452</b>	<b>93,970</b>	

<sup>(1)</sup> Amounts represent Long term borrowings including current maturities of ₹ 77,502 Mn (March 31, 2019 ₹ 36,491 Mn).

<sup>(2)</sup> Security offered does not cover properties / assets acquired pursuant to amalgamation of VMSL and VinL with the Company, RoU assets and assets to which the title will be transferred to the Company on final payment (refer note 7(5)).

<sup>(3)</sup> Term loans are also secured by way of first charge ranking pari-passu interse the lenders as above.

## Notes forming part of the Financial Statements

- (a) (ii) The Company has also provided charge against certain assets excluding ROU assets and assets to which the title will be transferred to the Company on final payment (refer note 7(5)) for availing non-fund based facility towards bank guarantees/letter of credit including guarantee to DoT with respect to deferred payment liabilities towards spectrum, one time spectrum charges and various performance/roll out obligations. The details of the same are as below:

₹ Mn

Type of funding	Security Amount		Outstanding Facility Amount		Security Offered
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
Bank Guarantee and Letter of Credit	20,000	20,000	7,542	10,590	First Pari Passu charge on moveable (including CWIP) and current assets of the Company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn and c) spectrum and telecom licenses
	24,250	24,250	20,367	16,005	Second pari passu charge on moveable (including CWIP) and current assets of the Company <sup>(1)</sup>
	97,500	87,500	97,500	87,500	Second pari passu charge on moveable (including CWIP) and current assets of the Company excluding <sup>(1)</sup> a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn and c) spectrum and telecom licenses
	3,000	3,000	402	402	Second pari passu charge on moveable (including CWIP) assets of the Company <sup>(1)</sup>
	68,750	-	51,384	-	First pari passu charge on moveable fixed assets of the Company acquired pursuant to amalgamation of VMSL and VInL with the Company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn c) spectrum and telecom licenses
	7,570	-	5,148	-	Charge on fixed deposit of ₹ 363 Mn
	<b>Total</b>	<b>221,070</b>	<b>134,750</b>	<b>182,343</b>	<b>114,497</b>

Note: Apart from this, the Company also has unsecured Bank Guarantees of ₹ 39,544 Mn.

<sup>(1)</sup> Security offered does not cover properties / assets acquired pursuant to amalgamation of VMSL and VInL with the Company.

- (b) Repayment terms of Long term borrowings as on March 31, 2020

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>				
a) Rupee Loan <sup>(1) &amp; (2)</sup>	47,500	-	47,500	a) 4 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2020 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026
b) Rupee Loan <sup>(2)</sup>	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan <sup>(1) &amp; (2)</sup>	30,000	-	30,000	Repayable in 20 equal quarterly installments starting September, 2021
d) Vehicle Loans	3	-	3	Equal monthly installments over the term of the loan ranging from 2 to 5 years
<b>Sub-Total</b>	<b>77,503</b>	<b>9,950</b>	<b>87,453</b>	
Unamortised upfront fees	(1)	-	(1)	
<b>Sub-Total (A)</b>	<b>77,502</b>	<b>9,950</b>	<b>87,452</b>	

## Notes forming part of the Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(ii) Unsecured Loans</b>				
a) Foreign currency Loan <sup>(1)</sup>	358	-	358	Repayable in April, 2020
b) Foreign currency Loan <sup>(1)</sup>	2,500	-	2,500	7 equal half yearly installments starting April, 2020
c) Foreign currency Loan <sup>(1)</sup>	1,785	-	1,785	3 equal half yearly installments starting May, 2020
d) Foreign currency Loan <sup>(1)</sup>	11,374	-	11,374	3 equal annual installments starting June, 2020
e) Foreign currency Loan <sup>(1)</sup>	11,691	-	11,691	3 equal annual installments starting July, 2020
f) Foreign currency Loan	269	-	269	Repayable in September, 2020
g) Foreign currency Loan	55	-	55	Repayable in March, 2021
h) Rupee Term Loan <sup>(1) &amp; (2)</sup>	40,000	-	40,000	4 equal quarterly installments starting September, 2022
i) Rupee Term Loan <sup>(1) &amp; (2)</sup>	10,000	-	10,000	Repayable in 4 equal quarterly installments starting October, 2022
j) Rupee Term Loan	1,183	1,500	2,683	Repayable in Half yearly installments starting from April, 2020 to December, 2023
k) Rupee Term Loan	881	-	881	Repayable in 6 installments starting from April, 2020 to July, 2020
l) 7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
m) 7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
n) 8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022
o) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
p) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022
q) 10.90% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
r) 8.25% Redeemable Non Convertible Debentures	28,750	-	28,750	Repayable in July, 2020 (Out of the 35,000 NCDs issued in FY 2015-16, the Company has re-purchased 6,250 NCDs of ₹ 1 Mn each, aggregating to ₹ 6,250 Mn with an option to re-issue the same in future)
<b>Sub-Total</b>	<b>108,846</b>	<b>76,500</b>	<b>185,346</b>	
Unamortised upfront fees	(1)	(171)	(172)	
<b>Sub-Total (B)</b>	<b>108,845</b>	<b>76,329</b>	<b>185,174</b>	

## Notes forming part of the Financial Statements

₹ Mn				
Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(iii) Deferred Payment Liability (DPL) towards spectrum acquired in<sup>(a)</sup></b>				
a) November - 2012 auctions	-	10,790	10,790	9 equal annual installments starting December, 2022
b) February - 2014 auctions	-	210,038	210,038	a) ₹ 207,326 Mn and Interest thereon will be repaid in 10 equal annual installments starting March, 2023 b) ₹ 2,712 Mn and interest thereon will be repaid in 13 equal annual installments starting September, 2022
c) March - 2015 auctions	-	463,903	463,903	a) ₹ 462,419 Mn and Interest thereon will be repaid in 12 equal annual installments starting April, 2022 b) ₹ 1,484 Mn and Interest thereon will be repaid in 13 equal annual installments starting September, 2022
d) October - 2016 auctions	-	191,743	191,743	13 equal annual installments starting October, 2022
<b>Sub-Total (C)</b>	<b>-</b>	<b>876,474</b>	<b>876,474</b>	
<b>(iv) Deferred Payment Others (D)</b>	<b>482</b>	<b>51</b>	<b>533</b>	Repayable in quarterly/yearly installments from June, 2020 to June, 2021
<b>Grand Total (A+B+C+D)</b>	<b>186,829</b>	<b>962,804</b>	<b>1,149,633</b>	

## Repayment terms of Long term borrowings as on March 31, 2019

₹ Mn				
Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>				
a) Rupee Loan <sup>(1)</sup>	2,500	47,500	50,000	a) 8 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2019 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026
b) Rupee Loan	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan <sup>(1)</sup>	30,000	-	30,000	Repayable in 20 equal quarterly installments starting September, 2021
d) 9.45% Redeemable Non Convertible Debentures	3,960	-	3,960	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹ 10 Mn each, aggregating to ₹ 6,040 Mn with an option to re-issue the same in future)
e) 8.12% Redeemable Non Convertible Debentures	-	50	50	Repayable in February, 2024 (Out of the 10,000 NCDs issued in FY 2017, the Company has re-purchased 9,950 NCDs of ₹ 1 Mn each, aggregating to ₹ 9,950 Mn with an option to re-issue the same in future)
f) Vehicle Loans	39	5	44	Equal monthly installments over the term of the loan ranging from 2 to 5 years
<b>Sub-Total</b>	<b>36,499</b>	<b>57,505</b>	<b>94,004</b>	
Unamortised upfront fees	(8)	(26)	(34)	
<b>Sub-Total (A)</b>	<b>36,491</b>	<b>57,479</b>	<b>93,970</b>	

## Notes forming part of the Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(ii) Unsecured Loans</b>				
a) Foreign currency Loan <sup>(1)</sup>	1,271	329	1,600	a) 1 quarterly installment of USD 4.125 Mn (₹ 285 Mn) payable in April, 2019 b) 4 equal quarterly installments of USD 4.75 Mn (₹ 329 Mn) starting July, 2019
b) Foreign currency Loan <sup>(1)</sup>	655	2,294	2,949	9 equal half yearly installments starting April, 2019
c) Foreign currency Loan <sup>(1)</sup>	1,640	-	1,640	5 equal half yearly installments starting May, 2019
d) Foreign currency Loan <sup>(1)</sup>	1,090	-	1,090	5 equal half yearly installments starting May, 2019
e) Foreign currency Loan <sup>(1)</sup>	21,164	-	21,164	3 equal annual installments starting June, 2020
f) Foreign Currency Loan	494	-	494	2 equal half yearly installments starting September, 2019.
g) Foreign Currency Loan	-	247	247	Repayable in September 2020
h) Foreign Currency Loan	-	50	50	Repayable in March 2021
i) Rupee Term Loan <sup>(1)</sup>	40,000	-	40,000	4 equal quarterly installments starting September, 2022
j) Rupee Term Loan	1,048	2,413	3,461	Repayable in Half yearly installments starting from April 2019 to December 2023.
k) Rupee Term Loan	3,628	792	4,420	Repayable in Quarterly installments starting from April 2019 to July 2020.
l) Rupee Term Loan <sup>(1)</sup>	10,000	-	10,000	Repayable in 4 equal quarterly installments starting October 2022
m) 7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
n) 7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
o) 8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022
p) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
q) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022
r) 10.90% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
s) 8.15% Redeemable Non Convertible Debentures	25,000	-	25,000	Repayable in July, 2019
t) 8.25% Redeemable Non Convertible Debentures	-	28,750	28,750	Repayable in July, 2020 (Out of the 35,000 NCDs issued in FY 2015-16, the Company has re-purchased 6,250 NCDs of ₹ 1 Mn each, aggregating to ₹ 6,250 Mn with an option to re-issue the same in future)
<b>Sub-Total</b>	<b>105,990</b>	<b>109,875</b>	<b>215,865</b>	
Unamortised upfront fees	(9)	(228)	(237)	
<b>Sub-Total (B)</b>	<b>105,981</b>	<b>109,647</b>	<b>215,628</b>	



## Notes forming part of the Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(iii) Deferred Payment Liability (DPL) towards spectrum acquired in</b>				
a) November - 2012 auctions	538	10,791	11,329	12 equal annual installments starting December, 2019
b) February - 2014 auctions	8,887	210,042	218,929	a) ₹ 216,139 Mn and Interest thereon will be repaid in 13 equal annual installments starting March, 2020 b) ₹ 2,790 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019
c) March - 2015 auctions	15,067	463,905	478,972	a) ₹ 477,445 Mn and Interest thereon will be repaid in 15 equal annual installments starting April, 2019 b) ₹ 1,527 Mn and Interest thereon will be repaid in 16 equal annual installments starting September, 2019
d) October - 2016 auctions	5,836	191,743	197,579	16 equal annual installments starting October, 2019
<b>Sub-Total (C)</b>	<b>30,328</b>	<b>876,481</b>	<b>906,809</b>	
<b>(iv) Deferred Payment Others (D)</b>	<b>1,363</b>	<b>422</b>	<b>1,785</b>	Repayable in quarterly/yearly installments from June, 2019 to June, 2021
<b>Grand Total (A+B+C+D)</b>	<b>174,163</b>	<b>1,044,029</b>	<b>1,218,192</b>	

<sup>(1)</sup> Some of the Company's loans are subjected to covenant clauses, whereby the Company is required to meet certain specified financial ratios. The Company has not met certain financial ratios for some of these arrangements, the gross outstanding amount for which as at March 31, 2020 was ₹ 155,208 Mn (March 31, 2019: ₹ 158,443 Mn). Waivers for loans of ₹ Nil (March 31, 2019: ₹ 55,596 Mn) has been received as of reporting date. Accordingly ₹ 142,757 Mn (includes ₹ 95,972 Mn reclassified as on March 31, 2019) has been re-classified from non-current borrowings to current maturities of long term debt (refer note 4(B)). The unamortised arrangement fees on such borrowings of ₹ 32 Mn (March 31, 2019: ₹ 743 Mn) has been charged in statement of profit and loss. As on the reporting date, none of the banks have approached for early repayment.

<sup>(2)</sup> The Company has availed option for moratorium of 6 months for repayment of Interest and principal in accordance with the notification issued by RBI.

<sup>(3)</sup> Department of Telecommunications (DoT) has provided an option for deferment of payment of spectrum auction installment due for the financial years 2020-21 and 2021-22. The Company has opted for the deferment of payment for both the years for which the Company needs to provide additional bank guarantees amounting to ₹ 37,378 Mn pertaining to various auctions as and when they fall due. Subsequent to the Balance Sheet date, the Company has provided bank guarantees amounting to ₹ 19,346 Mn pertaining to March- 2015 auctions to DoT.

(c) Interest rate for Rupee Term Loan ranges from 4.0% to 12.75%. Foreign currency loan ranges from 1.40% to 4.15% and Deferred Payment Liability towards spectrum ranges from 9.30% to 10%.

₹ Mn

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>22 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
Security deposits	46	25
Payables for capital expenditure (includes amount referred in note 7(5))	54,309	13,431
Interest accrued but not due on deferred payment liability	55,440	4
Settlement liability (refer note 3(B))	-	83,923
Lease liabilities (refer note 43)	164,109	-
<b>Total</b>	<b>273,904</b>	<b>97,383</b>
<b>23 LONG TERM PROVISIONS</b>		
Gratuity (refer note 51)	2,646	2,298
Compensated absences	524	968
Asset retirement obligation (refer note 49)	123	126
<b>Total</b>	<b>3,293</b>	<b>3,392</b>
<b>24 OTHER NON-CURRENT LIABILITIES</b>		
Deferred revenue	1,224	4,100
Others	-	135
<b>Total</b>	<b>1,224</b>	<b>4,235</b>

## Notes forming part of the Financial Statements

		₹ Mn	
Particulars	As at March 31, 2020	As at March 31, 2019	
<b>25 SHORT TERM BORROWINGS</b>			
<b>Secured Loans</b>			
Bank overdraft <sup>(1)</sup>	-	304	
Short term loan from bank <sup>(2)</sup>	-	30,318	
<b>Unsecured Loans</b>			
Bank overdraft	39	566	
Short term loan from banks	283	5,800	
Buyer credits	-	2,720	
Short term loans from others	-	1,499	
Short term loan from Subsidiary (refer note 57) <sup>(3)</sup>	1,220	-	
<b>Total</b>	<b>1,542</b>	<b>41,207</b>	
<sup>(1)</sup> Secured by way of pari passu second charge on movable and immovable assets of the Company and does not cover properties/assets acquired pursuant to amalgamation of VMSL and VInL with the Company.			
<sup>(2)</sup> As at March 31, 2019, the Company has pledged 43,376 equity shares of Indus held by the Company as security (refer note 9).			
<sup>(3)</sup> Unsecured short term loan from its subsidiary company is repayable on demand on which variable interest rate is 7% p.a.			
<b>26 OTHER CURRENT FINANCIAL LIABILITIES</b>			
Current maturities of long term debt (refer notes 21(a), 21(b) and 21(c))	186,829	174,163	
Payable for capital expenditure (includes amount referred in note 7(5))	34,272	57,002	
Accrual towards One Time Spectrum Charges (OTSC) (refer note 40(viii))	38,871	-	
Interest accrued but not due on borrowings	5,645	64,146	
Unpaid dividend	4	4	
Derivative liabilities at fair value through profit or loss	-	812	
Security deposits from customers and others	3,654	4,500	
Lease liabilities (refer note 43)	104,421	-	
<b>Total</b>	<b>373,696</b>	<b>300,627</b>	
<b>27 OTHER CURRENT LIABILITIES</b>			
Advance from customers and deferred revenue	26,192	25,871	
Taxes, regulatory and statutory liabilities (includes provision with respect to subjudice matter related to licensing dispute) (includes amount referred in note 4(A))	434,272	42,931	
Others	-	33	
<b>Total</b>	<b>460,464</b>	<b>68,835</b>	
<b>28 SHORT TERM PROVISIONS</b>			
Gratuity (refer note 51)	304	163	
Compensated absences	113	191	
Asset retirement obligation (refer note 49)	46	17	
<b>Total</b>	<b>463</b>	<b>371</b>	

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>29 OTHER OPERATING INCOME</b>		
Liabilities no longer required written back	109	580
Miscellaneous receipts	211	341
<b>Total</b>	<b>320</b>	<b>921</b>
<b>30 OTHER INCOME</b>		
Interest income (including amounts referred in note 57)	7,978	734
Dividend Income (refer note 57)	-	2,990
Gain on Mutual Funds (including fair value gain/(loss))	2,883	7,023
<b>Total</b>	<b>10,861</b>	<b>10,747</b>
<b>31 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	17,116	18,379
Contribution to provident and other funds (refer note 51)	1,439	1,406
Share based payment expenses (ESOS) (refer note 50) <sup>(1)&amp;(2)</sup>	(95)	242
Staff welfare	1,096	989
Recruitment and training	170	198
<b>Total</b>	<b>19,726</b>	<b>21,214</b>
<sup>(1)</sup> Includes charge/(credit) on account of cash settled ESOP of ₹ (82) Mn (March 31, 2019: ₹ 254 Mn).		
<sup>(2)</sup> The charge for the year is net of reversal on account of cancellation of unvested options of ₹ 13 Mn (March 31, 2019: ₹ 12 Mn).		
<b>32 NETWORK EXPENSES AND IT OUTSOURCING COST</b>		
Security service charges	381	431
Power and fuel	60,814	56,686
Repairs and maintenance - plant and machinery	26,995	21,422
Switching and cellsites rent (refer note 2(B)(a))	-	1,297
Lease line and connectivity charges	7,522	3,853
Network insurance	484	258
Passive infrastructure charges (refer note 2(B)(a))	-	74,571
Other network operating expenses	2,582	2,337
IT outsourcing cost	11,071	8,404
<b>Total</b>	<b>109,849</b>	<b>169,259</b>
<b>33 LICENSE FEES AND SPECTRUM USAGE CHARGES</b>		
License fees	33,114	26,453
Spectrum usage charges	15,362	12,790
<b>Total</b>	<b>48,476</b>	<b>39,243</b>

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>34 ROAMING AND ACCESS CHARGES</b>		
Roaming charges	3,898	4,220
Access charges	56,078	37,470
<b>Total</b>	<b>59,976</b>	<b>41,690</b>
<b>35 SUBSCRIBER ACQUISITION AND SERVICING EXPENDITURE</b>		
Cost of sim and recharge vouchers	805	1,335
Commission to dealers and others	21,444	19,440
Customer verification expenses	808	580
Collection, telecalling and servicing expenses	6,085	6,227
Customer retention and customer loyalty expenses	744	955
<b>Total</b>	<b>29,886</b>	<b>28,537</b>
<b>36 ADVERTISEMENT, BUSINESS PROMOTION EXPENDITURE AND CONTENT COST</b>		
Advertisement & Business promotion expenditure	4,194	4,921
Content cost	7,513	5,470
<b>Total</b>	<b>11,707</b>	<b>10,391</b>
<b>37 OTHER EXPENSES</b>		
Repairs and maintenance		
Building	96	145
Others	4,949	3,367
Other insurance	11	47
Non network rent (refer note 2(B)(a))	-	2,726
Rates and taxes	181	312
Electricity	766	908
Printing and stationery	91	86
Communication expenses	192	165
Travelling and conveyance	1,108	1,031
Bad debts / advances written off	5,274	28
Allowances for doubtful debts and advances (refer note 48)	(2,187)	2,278
Gain on disposal of property, plant and equipment (net)	-	(86)
Directors Sitting Fees (refer note 57)	10	4
Legal and professional charges	1,734	1,050
Audit fees (refer note 52)	89	94
CSR expenditure (refer note 53)	26	15
Support service charges (refer note 57)	5,395	3,152
Miscellaneous expenses	3,618	3,324
<b>Total</b>	<b>21,353</b>	<b>18,646</b>

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>38 FINANCE COSTS</b>		
Interest		
- On fixed period loan (Net of ₹ Nil capitalised, March 31, 2019: ₹ 612 Mn)	26,204	23,207
- On deferred payment liability towards spectrum (Net of ₹ Nil capitalised, March 31, 2019: ₹ 1,936 Mn)	87,521	67,335
- On lease liabilities (refer note 43)	26,125	-
- Others	3,819	465
Other finance charges	3,376	1,160
<b>Total interest expense</b>	<b>147,045</b>	<b>92,167</b>
Exchange difference (net) (Net of ₹ Nil capitalised, March 31, 2019: ₹ 397 Mn)	8,059	340
Loss / (gain) on derivatives (including fair value changes on derivatives)	(1,332)	3,003
<b>Total</b>	<b>153,772</b>	<b>95,510</b>
<b>39 EXCEPTIONAL ITEMS (net)</b>		
Gain on sale of Idea Cellular Infrastructure Services Limited (ICISL)	-	37,644
Integration and merger related costs	(9,855)	(26,607)
Provision for additional depreciation / impairment of assets		
- Accelerated depreciation on network re-alignment / re-farming <sup>(1)</sup>	(59,441)	(5,589)
- Impact due to cancellation of lease contract on network re-alignment	2,172	-
Re-assessment of certain estimates and accrual	-	7,646
License fees and SUC on AGR (refer note 4(A))	(274,886)	-
One Time Spectrum Charges (refer note 40(viii))	(38,871)	-
Provision for impairment towards its loan receivable/investment in subsidiaries / associate <sup>(2) &amp; (3)</sup>	(6,224)	-
Others	(137)	(727)
<b>Total</b>	<b>(387,242)</b>	<b>12,367</b>
Deferred tax impact on above	-	(6,077)

<sup>(1)</sup> During the year, the Company basis its revised business plan, is in the process of re-farming its 3G spectrum for 4G services along with its Network integration / alignment. Consequently, certain assets capitalised earlier may no longer be usable. Accordingly, the Company has taken an accelerated depreciation charge of ₹ 40,320 Mn and disclosed it as exceptional item.

<sup>(2)</sup> The Company, has taken a provision for impairment of loan given to VIBSL amounting to ₹ 2,630 Mn based on the future cash flow projections of VIBSL. Further, the Company has also taken a provision for impairment of loan given to VMPL amounting to ₹ 806 Mn (refer note 40(iii)).

<sup>(3)</sup> The Company has taken provision for impairment towards its investments in ABIPBL amounting to ₹ 2,788 Mn (refer note 40(ii)).

**40 SIGNIFICANT TRANSACTIONS / NEW DEVELOPMENTS**

- i) On May 4, 2019, the Company has allotted 19,999,830,911 Equity Shares of face value of ₹ 10 each to the eligible equity shareholders under a Rights Issue at a price of ₹ 12.50 (including a premium of ₹ 2.50) per equity share aggregating to ₹ 249,998 Mn. Entire proceeds from the Rights Issue has been utilised in accordance with the issue object(s) stated in offer document (as amended).
- ii) Aditya Birla Idea Payment Bank Limited (ABIPBL), an associate of the Company has decided to wind up business voluntarily (voluntary winding up) on July 19, 2019 subject to requisite regulatory approvals and consent. The Company is currently under liquidation. Accordingly,



## Notes forming part of the Financial Statements

the Company has made a provision for impairment of the entire amount of investments in ABIPBL of ₹ 2,788 Mn and additional amount of ₹ 98 Mn contributed in proportion to shareholding during the year towards liquidation expenses under exceptional items.

- iii) Vodafone M-Pesa Limited (VMPL), a 100% subsidiary of the Company into the business of Prepaid Payment Instruments (PPI) and Business Correspondence (BC) decided to wind up both these business voluntarily on July 8, 2019 subject to requisite regulatory approvals and consent. It had thereby written to Reserve Bank of India (RBI) for surrendering its PPI Licence which has been accepted by the RBI, subject to certain conditions. Accordingly, the Company's investment in VMPL and related provision for impairment has been reclassified from Asset held for sale to Non-current investments. Accordingly, the Company, on a prudence basis, has recorded a provision for impairment amounting to ₹ 806 Mn towards loan given to VMPL.
- iv) The Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 between the Company and its wholly owned subsidiary Vodafone Idea Telecom Infrastructure Limited (VITIL) (formerly known as Vodafone Towers Limited) for transfer of Fiber Infrastructure undertaking to VITIL on an as is basis has been approved by the National Company Law Tribunal, Ahmedabad bench (NCLT) vide its order dated September 18, 2019. On filing of the said order with the Registrar of Companies (RoC) on October 15, 2019, the Scheme has become effective with an appointed date of October 1, 2019.

Pursuant to the above, the Company has de-recognized the fiber assets and liabilities from the appointed date and has recognized the net amount of ₹ 46,579 Mn as business consideration receivable from VITIL. Effective October 1, 2019 the Company is receiving fiber infrastructure services from the VITIL and accordingly expenses has been accounted in the books under "Network Expenses and IT Outsourcing Cost".

Following assets and liabilities were transferred to VITIL as on appointed date: -

Particulars	₹ Mn
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	49,349
Capital work-in-progress	877
Other non-current financial assets-Security Deposit	943
Other non-current assets-Capital Advance	5
<b>Current assets</b>	
Trade receivables (including unbilled receivables of ₹ 1,614 Mn)	1,703
Other current assets (including prepaid expenses of ₹ 120 Mn)	131
<b>Total Assets (A)</b>	<b>53,008</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Other non-current liabilities-Deferred revenue	3,443
<b>Current liabilities</b>	
Trade payables	1,694
Other current financial liabilities - Payable for capital expenditure	855
Other current liabilities-Deferred revenue	437
<b>Total Liabilities (B)</b>	<b>6,429</b>
<b>Business consideration receivable (A-B)</b>	<b>46,579</b>

- v) Pursuant to agreement entered into by the Company, Bharti Airtel Limited and Vodafone Group for merging Indus Towers Limited (Indus) into Bharti Infratel Limited (BIL) which is subject to requisite regulatory / corporate approvals and certain closing conditions, the Company has an option to either sell its 11.15% stake to BIL before the merger based on a predetermined pricing formula, or receive shares on merger of the enlarged merged entity at an agreed share exchange ratio, as a part of the merger scheme. Till the time the decision on the option is taken, Indus continues to be accounted for as a joint venture of the Group and reflected as a non-current investment.
- vi) On September 20, 2018, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Aditya Birla Telecom Limited (ABTL), a wholly owned subsidiary, with the Company with an

## Notes forming part of the Financial Statements

appointed date of April 1, 2018. During the previous year, the Company had received the requisite regulatory approvals and the merger became effective on November 30, 2018 on filing of the certified copies of the orders sanctioning the scheme with the RoC. This transaction was accounted as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of ABTL.

Further, in accordance with Ind AS 103 'Business Combinations', the Company had restated the financial statements for the year ended March 31, 2018 and for the period from April 1, 2018 to November 29, 2018 included in these financial statements even though the title, obligations and compliances related to these balances till the effective date remained with ABTL.

The following profit and loss effects for the period April 1, 2018 to November 29, 2018 pertaining to ABTL had been included in the statement of profit and loss of the Company for the financial year ended March 31, 2019.

Particulars	₹ Mn For the period ended November 29, 2018
<b>Income</b>	
Other income	3,651
<b>Total income</b>	<b>3,651</b>
<b>Operating expenditure</b>	
Other expenses	7
<b>Total expenses</b>	<b>7</b>
<b>Profit before tax</b>	<b>3,644</b>
Tax expense:	
- Current tax	-
- Deferred tax	130
<b>Profit after tax</b>	<b>3,514</b>
<b>Other comprehensive income (OCI)</b>	
Fair value gain/ (loss) on equity instruments at FVTOCI	(16,647)
Income tax effect	3,829
<b>Other comprehensive loss, net of tax</b>	<b>(12,818)</b>
<b>Total comprehensive loss</b>	<b>(9,304)</b>

Further, as the transactions and year end balances between the Company and ABTL had been eliminated in the financial statements of the previous year, effects of the same had also been reflected in the related party disclosures (refer note 57).

- vii) On August 13, 2019, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Vodafone India Digital Limited (VIDL) and Idea Telesystems Limited (ITL), wholly owned subsidiaries of the Company, with the Company with an appointed date of April 1, 2019. During the year, the Company has received the requisite regulatory approvals and the merger became effective on March 1, 2020 on filing the certified copies of the orders sanctioning the scheme with the RoC. This transaction has been accounted as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of VIDL and ITL.

Further, in accordance with Ind AS 103 'Business Combinations', the Company has restated the financial statements for the previous year presented in these financial statements even though the title, obligations and compliances related to these balances till the effective date remain with VIDL and ITL respectively.

Accordingly, the investment of the Company in VIDL and ITL amounting to ₹ 5 Mn and ₹ 38 Mn stand reversed as of August 31, 2018 and April 1, 2018 respectively.

## Notes forming part of the Financial Statements

The position of assets, liabilities and equity of ITL as at the beginning and end of the financial year and VIDL as at effective date of amalgamation of VMSL and VInL with the Company i.e. August 31, 2018 (refer note 3(A)) and end of the previous year is as below.

Particulars	ITL		VIDL		₹ Mn
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at August 31, 2018	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1	1	-	-	
Investment property	5	5	-	-	
Financial assets					
Other non-current financial assets	*	*	*	-	
Deferred tax assets (net)	2	*	-	-	
Other non-current assets	2	3	-	-	
<b>Total non-current assets (A)</b>	<b>10</b>	<b>9</b>	<b>*</b>	<b>-</b>	
<b>Current assets</b>					
Inventories	3	28	-	-	
Financial assets					
Current investments	198	176	-	-	
Trade receivables (Unsecured, considered good)	*	1	-	-	
Cash and cash equivalents	*	*	4	4	
Bank balance other than cash and cash equivalents	*	*	-	-	
Other current financial assets	3	4	-	-	
Current tax assets (net)	*	*	-	-	
Other current assets	9	12	-	-	
<b>Total current assets (B)</b>	<b>213</b>	<b>221</b>	<b>4</b>	<b>4</b>	
<b>Total Assets (A+B)</b>	<b>223</b>	<b>230</b>	<b>4</b>	<b>4</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	1	1	5	5	
Other equity	199	192	(2)	(1)	
<b>Total equity (A)</b>	<b>200</b>	<b>193</b>	<b>3</b>	<b>4</b>	
<b>Liabilities</b>					
<b>Current liabilities</b>					
Financial liabilities					
Trade payables	7	21	1	*	
Other current financial liabilities	2	2	-	-	
Other current liabilities	14	14	*	-	
<b>Total current liabilities (B)</b>	<b>23</b>	<b>37</b>	<b>1</b>	<b>*</b>	
<b>Total Equity and Liabilities (A+B)</b>	<b>223</b>	<b>230</b>	<b>4</b>	<b>4</b>	

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

Further, the following profit and loss effects up to February 29, 2020 pertaining to VIDL and ITL have been included in the statement of profit and loss of the Company.

## Notes forming part of the Financial Statements

₹ Mn

Particulars	ITL		VIDL	
	For the period ended February 29, 2020	For the year ended March 31, 2019	For the period ended February 29, 2020	For the period August 31, 2018 to March 31, 2019
<b>Income</b>				
Sale of trading goods	3	32	-	-
Other operating income	-	1	-	-
<b>Revenue from operations</b>	<b>3</b>	<b>33</b>	<b>-</b>	<b>-</b>
Other income	20	23	-	-
<b>Total income</b>	<b>23</b>	<b>56</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure</b>				
Cost of trading goods	3	36	-	-
Employee benefit expenses	2	5	-	-
Selling & Distribution expenses	-	5	-	-
Other expenses	2	3	*	*
<b>Total expense</b>	<b>7</b>	<b>49</b>	<b>*</b>	<b>*</b>
<b>Profit before finance charge, depreciation and tax</b>	<b>16</b>	<b>7</b>	<b>-</b>	<b>-</b>
Finance costs	*	*	-	-
Depreciation	*	*	-	-
<b>Profit before tax</b>	<b>16</b>	<b>7</b>	<b>*</b>	<b>*</b>
Tax expense:				
- Current tax	-	1	-	-
- Deferred tax	4	(1)	-	-
<b>Profit after tax</b>	<b>12</b>	<b>7</b>	<b>*</b>	<b>*</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>12</b>	<b>7</b>	<b>*</b>	<b>*</b>

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

Further, as the transactions and year end balances between the Company and VIDL / ITL have been eliminated in the financial statements, effects of the same have also been reflected in the related party disclosures (refer note 57).

viii) One Time Spectrum Charges (Beyond 4.4 MHz):

During the financial year 2012-13, DoT had issued demand notices towards one time spectrum charges (hereinafter referred to as "OTSC"). The demands on the Company i.e. formerly Idea Cellular Limited have been challenged by way of writ petition before the Bombay High Court (BHC). The erstwhile Vodafone India Limited (ViNL) and erstwhile Vodafone Mobile Services Limited (VMsL) had challenged the demands before the TDSAT. The grounds taken before BHC and TDSAT were different though.

On July 4, 2019 TDSAT in its judgement quashed the demands levied on erstwhile ViNL and VMsL and inter alia held that:

- For spectrum up to 6.2 MHz, OTSC is not chargeable and accordingly demand set aside.
- For spectrum beyond 6.2 MHz,
  - Allotment after July 1, 2008, OTSC shall be levied from the date of allotment of such spectrum.
  - Allotment before July 1, 2008, OTSC shall be levied from January 1, 2013 till the date of expiry of license.
  - Conditions as stated in para 1 (v) of the impugned order dated December 28, 2012 (given hereunder) is arbitrary and illegal and is accordingly set aside, i.e. Upfront charges in the case of spectrum holding in multiple bands (900 MHz and 1800 MHz), spectrum in 1800 MHz band will be accounted for first, towards the limit of 4.4 MHz was held to be arbitrary and illegal and accordingly set aside.

## Notes forming part of the Financial Statements

Thereafter VIL filed an appeal before the Hon'ble Supreme Court against the TDSAT judgement. On March 16, 2020, Hon'ble Supreme Court dismissed the petition filed by the Company challenging the levy of OTSC beyond 6.2 MHz. Following the dismissal of the Company's appeal by the Hon'ble Supreme Court on March 16, 2020, the Company is yet to receive any demand from DoT in line with the TDSAT order. VIL proceedings before the BHC in respect of Idea Cellular Limited remains pending. DoT has also preferred an appeal against the TDSAT impugned judgement.

The Company, on prudence basis, has recognized a charge for spectrum holding beyond 6.2 Mhz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given for OTSC in line with the M&A guidelines at the time of merger. Accordingly, an amount of ₹ 38,871 Mn has been recognised as exceptional items during the year.

### 41 CAPITAL AND OTHER COMMITMENTS

Estimated amount of commitments are as follows:

- Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 25,110 Mn (March 31, 2019: ₹ 31,455 Mn)
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 40,164 Mn (March 31, 2019: ₹ 53,076 Mn)

### 42 CONTINGENT LIABILITIES NOT PROVIDED FOR

#### A) Licensing Disputes:

- i. One Time Spectrum Charges (OTSC) (Beyond 4.4 MHz) - ₹ Nil (March 31, 2019: ₹ 67,941 Mn):

During the year, the Company has recognised an amount of ₹ 38,871 Mn towards OTSC (refer note 40(viii)). Further, the Company has provided bank guarantee towards OTSC beyond 4.4 MHz amounting to ₹ 33,224 Mn as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014 which is yet to be released.

- ii. OTSC (Less than 4.4 MHz) - ₹ 38,570 Mn (March 31, 2019: ₹ 38,570 Mn):

In FY 2015-16 erstwhile VMSL received demands from DoT towards One time spectrum charges for less than 4.4 MHz pursuant to the transfer of licenses of certain subsidiaries amounting to ₹ 33,495 Mn. The Company believes the charges levied by DoT are not tenable, since the merger guidelines are not applicable considering that the said merger did not involve any intra-circle merger and did not result in increase in spectrum holding of the Company. The Demand is challenged and remains sub-judice at TDSAT.

Also, in FY 2015-16, erstwhile VMSL received demand from DoT towards extension of license of Tamil Nadu circle for making it co-terminus with license of Chennai circle amounting to ₹ 5,075 Mn. The Company believes the charges levied by DoT are not tenable, considering the merger of licenses is as per the guidelines issued by DoT in 2005 and as such does not get covered under as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014. The Demand is challenged and remains sub-judice at TDSAT.

- iii. Other Licensing Disputes - ₹ 25,248 Mn (March 31, 2019: ₹ 171,236 Mn):

- Disputes relating to alleged non-compliance of licensing conditions & other disputes with DoT (including those towards CAF Audit and EMF), either filed by or against the Company and pending before Hon'ble Supreme Court / TDSAT. Previous year figures include the matter relating to interpretation of definition of adjusted gross revenue (AGR) and other license fee assessment related matters.
- Demands on account of alleged violations in license conditions relating to amalgamation of erstwhile Spice Communications Limited currently sub-judice before the Hon'ble TDSAT.
- Demand with respect to upfront spectrum amounts for continuation of services from February 2, 2012 till various dates in the service areas where the licenses were quashed following the Hon'ble Supreme Court Order.

In October 2015, DoT issued interim guidelines, wherein Microwave Spectrum held by expired /expiring licenses was declared as being held on a provisional basis subject to final outcome of DoT's decision on recommendation by TRAI on the allocation and pricing of Microwave Spectrum. The interim guidelines issued by DoT are not in line with the understanding provided during the earlier auctions as part of Notice Inviting Application (NIA) for the spectrum auction.

Basis the interim guidelines, DoT has instructed the Company to provide an undertaking that the pricing and allocation decisions of DoT would be considered final in this respect. The Company has not provided the said undertaking or signed the agreement being against the express and binding confirmations under NIA. Further TDSAT vide its order dated March 13, 2019 set aside the Impugned guidelines and stated 2006 rates hold to be valid, which should be applied from future date as and when notified by DoT as per the judgment. The Hon'ble Supreme Court vide its order dated November 8, 2019 stayed the TDSAT order and directed the Company to furnish bank guarantee till the next date of hearing. The matter is currently sub-judice.



## Notes forming part of the Financial Statements

- iv. The Hon'ble Supreme Court on October 24, 2019 delivered its judgement on the cross appeals against the Hon'ble TDSAT judgement dated April 23, 2015 relating to the definition of Adjusted Gross Revenue ('AGR Judgement'). The order upheld the levy of interest, penalty and interest on penalty. The DoT has provided a statement of preliminary assessed AGR dues amounting to ₹ 582,540 Mn including the principal, interest, penalty and interest on penalty up to FY 2016-17. The Company, based on DoT demands (mainly up to the period FY 2016-17 and some beyond) after adjustment for certain computational errors and payments made in the past not considered in DoT demands and estimates made by the Company for the periods thereafter for which demands have not been received together with interest, penalty and interest on penalty up to March 31, 2020 has recognized a total estimated liability of ₹ 459,607 Mn (refer note 4(A)).

### B) Other Matters not acknowledge as debts

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
Income tax matters (see note i below)	13,895	14,477
Sales tax and entertainment tax matters (see note ii below)	1,807	1,204
Service tax/Goods and Service Tax (GST) matters (see note iii below)	16,636	15,626
Entry tax and customs matters (see note iv below)	4,750	4,610
Other claims (see note v below)	15,386	12,621
<b>Total</b>	<b>52,474</b>	<b>48,538</b>

#### i. Income Tax Matters (including Tax deducted at source)

- Appeals filed by the Company against the demands raised by the Income Tax Authorities relates to disputes on non-applicability of tax deductions at source on prepaid margin allowed to prepaid distributors & roaming settlement, disputes relating to denial of tax holiday benefit from certain business receipts etc.

The matters are contested by the Company at various appellate authorities against the tax authorities.

#### ii. Sales Tax and Entertainment Tax

- Sales Tax demands mainly relates to the demands raised by the VAT/Sales Tax authorities of few states on Broadband Connectivity, SIM cards etc. on which the Company has already paid Service Tax.
- Demand of tax for non-submission of Declaration forms viz. C forms & F forms in stipulated time limit.
- In one state entertainment tax is being demanded on revenue from value added services. However, the Company has challenged the constitutional validity of the levy.

#### iii. Service Tax/ Goods and Service Tax (GST)

Service Tax / GST demands mainly relates to the following matters:

- Denial of Cenvat credit related to Towers and Shelters.
- Disallowance of Cenvat Credit on input services viewed as ineligible credit
- Demand of service tax on SMS termination charges, Demand of service tax on reversal of input credit on various matters

#### iv. Entry Tax and Customs

- Entry Tax disputes pertains to classification / valuation of goods.
- Demand of customs duty/anti-dumping duty on dispute relating to classification issue. The Company has challenged these demands which are pending at various forums.

#### v. Other claims not acknowledged as debts

- Mainly include consumer forum cases, disputed matters with local Municipal Corporation, Electricity Board and other miscellaneous sub-judiced disputes.

The future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. Further, based on the Company's evaluation, it believes that it is not probable that the claims will materialise and therefore, no provision has been recognised for the above.

- (C) P5 Asia Holdings Investments (Mauritius) Limited (P5) has a right to sell equity share of Indus Towers Limited (Indus) held by P5 to the Company at its fair value in the event of non-meeting certain conditions. Such right is suspended pursuant to the proposed merger of Indus with BIL effective from April 25, 2018 until the date of merger.

## Notes forming part of the Financial Statements

### 43 OPERATING LEASE

#### (a) Company as lessee

The Company has adopted the Ind AS 116 from April 1, 2019 which supersedes the Ind AS 17. The effects of adopting the Ind AS 116 on Company's financials are as follows:

Set out below are the carrying amounts of RoU assets recognised and the movements during the year:

Particulars	₹ Mn				
	Land & Building	Cell sites	IRU	Others	Total
<b>As at April 1, 2019</b>	<b>14,048</b>	<b>207,049</b>	-	-	<b>221,097</b>
Reclassification to RoU assets	952	-	18,585	4,575	24,112
Additions <sup>(1)</sup>	830	27,281	4,884	445	33,440
Deletions/Adjustments <sup>(2)</sup>	(172)	(10,927)	(240)	(29)	(11,368)
Depreciation expenses	(3,636)	(56,887)	(2,060)	(1,609)	(64,192)
<b>As at March 31, 2020</b>	<b>12,022</b>	<b>166,516</b>	<b>21,169</b>	<b>3,382</b>	<b>203,089</b>

<sup>(1)</sup> Additions includes addition of new leases, modification to existing lease in form of lease extension or restriction.

<sup>(2)</sup> Includes ₹ 4,020 Mn on accelerated depreciation on account of network re-alignment.

Set out below are the carrying amounts of lease liabilities (included under lease liabilities) and the movements during the year:

Particulars	₹ Mn
	Amount
<b>As at April 1, 2019</b>	<b>284,029</b>
Additions	33,161
Accretion of interest	26,125
Payments	(65,816)
Deletion	(8,969)
<b>As at March 31, 2020</b>	<b>268,530</b>
Current	104,421
Non-current	164,109

The maturity analysis of lease liabilities are disclosed in note 61.

The following are the amounts recognized in statement of profit and loss:

Particulars	₹ Mn
	Year ended March 31, 2020
Depreciation	64,192
Interest expense on lease liabilities	26,125
Exceptional items (net)	(2,172)
<b>Total amount recognised in profit and loss</b>	<b>88,145</b>

#### (b) Company as lessor

The Company has leased certain Optical Fibre Cables pairs (OFC) on Indefeasible Rights of Use ("IRU") basis under operating lease arrangements. During the year, Company recognised revenue from operating lease of ₹ 201 Mn.

- 44 The Company, till February 28, 2019, had composite IT outsourcing agreements where in Property, plant and equipment, computer software and services related to IT were supplied by the vendor. Such Property, plant and equipment received were accounted for as finance lease. Correspondingly, such assets were recorded at fair value at the time of receipt and depreciated on the stated useful life applicable to similar IT assets of the Company. These assets have been reclassified to RoU assets on adoption of Ind AS 116 effective April 1, 2019.

## Notes forming part of the Financial Statements

### 45 DETAILS OF CURRENT INVESTMENTS

₹ Mn

Particulars	As at March 31, 2020		As at March 31, 2019	
	Qty in '000 Units	₹ Value	Qty in '000 Units	₹ Value
Aditya Birla Sun Life Liquid Fund - Dir - Growth (formerly known as Birla Sun Life Cash Plus - Direct - Growth)	14,233	4,548	135,389	40,682
HDFC Liquid Fund - Direct - Growth	-	-	1,355	4,983
YES BANK MF -Direct- Growth	-	-	701	704
L&T Liquid Fund - Direct - Growth	-	-	333	854
Reliance Liquid Fund - Direct - Growth	-	-	878	4,006
ICICI Prudential Liquid Fund -Direct- Growth	-	-	8,397	2,321
SBI Liquid Fund - Direct - Growth	-	-	1,416	4,147
Axis Liquid Fund - Direct - Growth	-	-	556	1,153
UTI-Liquid Cash Plan -Direct- Growth	-	-	920	2,814
Tata Liquid Fund - Direct - Growth	-	-	507	1,492
DSP Liquidity Fund - Direct - Growth	-	-	1,089	2,912
Invesco India Liquid Fund - Direct - Growth	-	-	396	1,020
<b>Total</b>	<b>14,233</b>	<b>4,548</b>	<b>151,937</b>	<b>67,088</b>

### 46 DETAILS OF FOREIGN CURRENCY EXPOSURES

#### A. Hedged by a Derivative Instrument

Amount in Mn

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	136	51
Equivalent INR of Foreign Currency Loan <sup>(1)</sup>	9,950	3,413
<b>Trade Payables and Other financial liability</b>		
Trade Payables and Other financial liability in USD	87	272
Interest accrued but not due on Foreign Currency Loans in USD	1	1
Equivalent INR of Trade Payables and Other financial liability <sup>(1)</sup>	6,576	19,891

<sup>(1)</sup> Amount in INR represents conversion at hedged rate

#### B. Not hedged by a Derivative Instrument or otherwise

Amount in Mn

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	236	411
Equivalent INR of Foreign Currency Loan <sup>(1)</sup>	17,757	28,429
<b>Trade Payables and Other financial liability</b>		
In USD	800	433
In EURO	118	56
In CHF	_*	-
In GBP	_*	-
In HUF	_*	-
In AUD	_*	-

## Notes forming part of the Financial Statements

Amount in Mn

Particulars	As at March 31, 2020	As at March 31, 2019
Equivalent INR of Trade Payables and other financial liability in Foreign Currency <sup>(1)</sup>	70,135	34,312
<b>Trade Receivables</b>		
In USD	82	56
In EURO	1	1
In GBP	7	11
<b>Balances with banks-In current accounts in USD</b>	1	3
Equivalent INR of Trade Receivables and bank balances in Foreign Currency <sup>(1)</sup>	6,953	5,147

<sup>(1)</sup> Amount in INR represents conversion at closing rate

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

## 47 INFORMATION AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at March 31, 2020	As at March 31, 2019
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	71	157
(ii) The interest due on above	5	10
<b>The total of (i) &amp; (ii)</b>	76	167
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	1,317	749
d) The amounts of interest accrued and remaining unpaid at the end of financial year	31	21
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.	21	12

## 48 MOVEMENT OF ALLOWANCES FOR DOUBTFUL DEBTS/ADVANCES

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	16,714	7,792
Addition on amalgamation of VM SL and VInL (refer note 3(A))	-	6,644
Charged to Statement of Profit and Loss (net) (refer note 37)	(2,187)	2,278
Transfer to subsidiary pursuant to demerger of fiber undertaking (refer note 40(iv))	(224)	-
<b>Closing Balance</b>	14,303	16,714

## 49 ASSET RETIREMENT OBLIGATION

The Company installs equipment's on leased premises to provide seamless connectivity to its customers. In certain cases, the Company may have to incur some cost to remove such equipment's on leased premises. Estimated costs to be incurred for restoration is capitalised along with the assets. The movement of provision as required in Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" is given below:

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	143	94
Addition on amalgamation of VM SL and VInL (refer note 3(A))	-	55
Additional provision	-	2
Unwinding of discount	27	9
Utilisation	(1)	(17)
<b>Closing balance</b>	169	143

## Notes forming part of the Financial Statements

### 50 SHARE BASED PAYMENTS

#### a) Employee stock option plan - options granted by Vodafone Idea Limited

The Company has granted stock options under the employee stock option scheme (ESOS) 2006 and stock options as well as restricted stock units (RSU's) under ESOS 2013 to the eligible employees of the Company and its subsidiaries from time to time. These options, subject to fulfilment of vesting conditions, would vest in 4 equal annual installments after one year of the grant and the RSU's will vest after 3 years from the date of grant. The maximum period for exercise of options and RSU's is 5 years from the date of vesting. Each option and RSU when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the Company. The options granted under ESOS 2006 and options as well as RSUs granted under the ESOS 2013 scheme carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the options/RSU's during the year ended March 31, 2020 and March 31, 2019. During the previous year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOS 2013. As at year ended March 31, 2020 and March 31, 2019, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
<b>i) Options granted under ESOS 2006</b>				
Options outstanding at the beginning of the year	177,626	68.86	526,677	63.90
Options exercised during the year	-	-	19,087	57.77
Options cancelled during the year	8,063	68.86	33,387	59.20
Options expired during the year	169,563	68.86	296,577	61.84
Options outstanding at the end of the year	-	-	177,626	68.86
Options exercisable at the end of the year	-	-	177,626	68.86
Range of exercise price of outstanding options (₹)	-	-	68.86 - 68.86	
Remaining contractual life of outstanding options (months)	-	-	10	
<b>ii) Options granted under ESOS 2013</b>				
Options outstanding at the beginning of the year	12,524,154	126.46	13,096,614	126.35
Options cancelled during the year	600,438	127.23	572,460	124.01
Options expired during the year	3,483,163	126.45	-	-
Options outstanding at the end of the year	8,440,553	126.41	12,524,154	126.46
Options exercisable at the end of the year	8,349,538	126.59	12,169,350	126.83
Range of exercise price of outstanding options (₹)	110.45 - 150.10		110.45 - 150.10	
Remaining contractual life of outstanding options (months)	24		30	
<b>iii) RSU's granted under ESOS 2013</b>				
RSU's outstanding at the beginning of the year	1,295,020	10.00	2,394,656	10.00
RSU's exercised during the year	-	-	1,018,848	10.00
RSU's cancelled during the year	11,361	10.00	80,788	10.00
RSU's outstanding at the end of the year	1,283,659	10.00	1,295,020	10.00
RSU's exercisable at the end of the year	1,283,659	10.00	1,156,785	10.00
Range of exercise price of outstanding RSU's (₹)	10.00		10.00	
Remaining contractual life of outstanding RSU's (months)	31		43	

The weighted average share price at the date of exercise of RSU's exercised during the year ended March 31, 2019 was ₹ 52.



## Notes forming part of the Financial Statements

The fair value of each option and RSU is estimated on the date of grant / re-pricing based on the following assumptions:

Particulars	ESOS 2006					
	On the date of Grant				On the date of re-pricing	
	Tranche I (31/12/07)	Tranche II (24/07/08)	Tranche III (22/12/09)	Tranche IV (24/01/11)	Tranche I (21/12/09)	Tranche II (21/12/09)
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	4 yrs 6 months	5 yrs 9 months
Risk free interest rate (%)	7.78	7.5	7.36	8.04-8.14	7.36	7.36
Volatility (%)	40.00	45.80	54.54	50.45	54.54	54.54
Market price on date of grant/re-pricing (₹)	131.30	91.95	57.55	68.86	57.05	57.05
Fair Value*	68.99	48.25	31.34	37.47	18.42	10.57

\*As on the date of transition from IGAAP to Ind AS on April 1, 2015, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	ESOS 2013			
	Tranche I (11/02/14)	Tranche II (29/12/14)	Tranche III (21/1/16)	Tranche IV (11/2/17)
	Stock Options	Stock Options	Stock Options	Stock Options
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months
Risk free interest rate (%)	8.81 - 8.95	8.04 - 8.06	7.42 – 7.66	6.68 – 7.03
Volatility (%)	34.13–44.81	34.28–42.65	34.24 – 35.33	36.37 – 38.87
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	60.51 <sup>^</sup>	66.27	48.97	46.39

<sup>^</sup>As on the date of transition from IGAAP to Ind AS on April 1, 2015, first installments of the grant were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.91	8.05	7.60	6.94
Volatility (%)	43.95	35.66	34.24	37.21
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	118.70	140.41	107.71	100.40

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

### b) Employee stock option plan – options granted by Vodafone Group Plc

#### i. Global Long Term Incentive ("GLTI"):

GLTI is a restricted share plan granted to incentivise delivery of sustained performance over the long term plan to selected employees of the Group. In addition to the 3 years vesting conditions, options of certain schemes would depend on achievement of the performance conditions of the Group and Vodafone Group Plc. The plans are administered by Vodafone Group Plc. and the information disclosed is to the extent available.

## Notes forming part of the Financial Statements

### ii. Global Long Term Retention ("GLTR"):

GLTR plan is a restricted share plan granted as a retention tool to selected employees in the middle management. The options vest in 3 years/2 years after the grant date provided the employees remain in the continued employment of the Group during the vesting period.

### iii. Vodafone Global Incentive Plan ("VGIP"):

VGIP is a restricted plan granted as an investment plan to senior management. These options vest in 3 years after the grant date provided the employee remains in the continued employment of the Group during the vesting period. The vesting of these options were subject to satisfaction of performance conditions of the Group and Vodafone Group Plc and market based condition, based on total shareholder return (TSR), which is taken into account when calculating the fair value of share awards. The valuation for the TSR is based on Vodafone's ranking within the same group of companies, where possible over the past five years.

Particulars	As at March 31, 2020	As at March 31, 2019
<b>i) Options granted under GLTI / GLTR</b>	<b>No. of Options</b>	<b>No. of Options</b>
Options outstanding as at April 1, 2019/August 31, 2018	12,090,857	13,663,498
Options granted during the year/period	344,048	-
Options transferred from VMPL	28,748	-
Options forfeited during the year/period	648,573	1,112,229
Options cancelled during the year *	4,122,780	-
Options exercised during the year/period	4,558,776	460,412
Options outstanding at the end of the year	3,133,524	12,090,857
Options exercisable at the end of the year	3,133,524	12,090,857
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	5	12
<b>ii) Options granted under VGIP</b>		
Options outstanding as at April 1, 2019/August 31, 2018	1,702,228	1,702,228
Options forfeited during the year/period	495,427	-
Options exercised during the year/period	331,108	-
Options outstanding at the end of the year	875,693	1,702,228
Options exercisable at the end of the year	875,693	1,702,228
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	4	10

\*Options cancelled and replaced with LTIP scheme

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Liability at the end of the year March 31, 2020 is ₹ 373 Mn (March 31, 2019: ₹ 1,071 Mn).

Fair value of option is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date.

## Notes forming part of the Financial Statements

The fair value of each option is mentioned below:

Particulars	Grant date	Expected life	Market price on date of grant/re-pricing (₹)	Fair Value on the date of grant (₹)
	30/06/16	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	196	196
	18/11/16	3 years continuous employment for GLTR	173	173
	17/02/17	3 years continuous employment for GLTR	166	166
	26/06/17	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	183	183
GLTI/GLTR	17/11/17	1.6 Years continuous employment for GLTR	197	192
	16/02/18	2 years to 2.4 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	179	179
	26/06/18	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	166	166
	26/06/19	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	110	110
	30/06/16 <sup>(1)</sup>	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	196	151
VGIP	04/08/17 <sup>(2)</sup>	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	91
	04/08/17	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	188

<sup>(1)</sup> Vesting percentage: 77.20%

<sup>(2)</sup> Vesting percentage: 48.30%

### 51 EMPLOYEE BENEFITS

#### A. Defined Benefit Plan (Gratuity)

##### General description and benefits of the plan

The Company operates a defined benefit final salary gratuity plan through a trust. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The benefit is payable on termination of service or retirement, whichever is earlier. The employees do not contribute towards this plan and the full cost of providing these benefits are borne by the Company.

##### Regulatory framework, funding arrangement and governance of the Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-a-vis settlements. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

##### Inherent risks

The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

## Notes forming part of the Financial Statements

The following tables summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for gratuity:

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
<b>Amount recognised in Balance Sheet</b>		
Present value of obligations as at the end of the year	1,990	1,902
Fair value of plan assets as at the end of the year	336	622
Net Funded Obligation	1,654	1,280
Present value of unfunded obligations	1,296	1,181
Net Asset/(Liability) recognised in Balance Sheet	(2,950)	(2,461)
Net Asset/(Liability) recognised in Balance Sheet is bifurcated as		
- Long term provision	(2,646)	(2,298)
- Short term provision	(304)	(163)

Sr. No.	Particulars	₹ Mn	
		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>1</b>	<b>Reconciliation of Net Defined Benefit Obligation</b>		
	Opening Net Defined Benefit liability/(asset)	2,461	1,522
	Net Liabilities assumed on amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	1,224
	Expense charged to statement of profit & loss	543	540
	Expense / (Income) charged to OCI	253	(534)
	Employer contributions	(5)	(18)
	Benefits Paid	(260)	(244)
	Liabilities assumed/(settled) <sup>(1)</sup>	(42)	(29)
	Closing Net Defined Benefit liability/(asset)	2,950	2,461
<b>2</b>	<b>Reconciliation of Defined Benefit Obligation</b>		
	Opening Defined Benefit Obligation	3,083	2,264
	Liabilities assumed on amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	1,307
	Current Service cost	367	373
	Interest on Defined Benefit Obligation	219	228
	Actuarial (Gain)/Loss arising from change in financial assumptions	213	184
	Actuarial (Gain)/Loss arising from change in demographic assumptions	5	(274)
	Actuarial (Gain)/Loss arising on account of experience changes	30	(455)
	Benefits paid	(589)	(515)
	Liabilities assumed/(settled) <sup>(1)</sup>	(42)	(29)
	Closing Defined Benefit Obligation	3,286	3,083
<b>3</b>	<b>Reconciliation of plan assets</b>		
	Opening fair value of plan assets	622	742
	Assets acquired on amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	83
	Employer contributions	5	18
	Interest on plan assets	43	61
	Re measurements due to		
	- Actual return on plan assets less interest on plan assets	(5)	(11)
	Benefits paid	(329)	(271)
	Closing fair value of plan assets	336	622

<sup>(1)</sup>On account of inter group transfer.

## Notes forming part of the Financial Statements

Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:

₹ Mn

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1	<b>Expenses Recognised in the Statement of Profit &amp; Loss</b>		
	Current Service cost	367	373
	Interest on Net Defined Benefit liability/(asset)	176	167
	Expenses recognised in the Statement of Profit & Loss	543	540
2	<b>Amount recorded as Other Comprehensive Income (OCI)</b>		
	Re measurement during the year due to		
	- Changes in financial assumptions	213	184
	- Changes in demographic assumptions	5	(274)
	- Experience adjustments	30	(455)
	- Return on plan assets (excluding amounts included in net interest expense)	5	11
	Remeasurement gain recognised in OCI	253	(534)

The principal assumptions used in determining gratuity obligations are shown below:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.65%	7.50%
Future salary increases*	8.00%	8.00%
Attrition rate	30 years & below - 30% 31-40 years - 15% 41 years & above - 8%	30 years & below - 30% 31-40 years - 15% 41 years & above - 8%
Mortality rate during employment	As per Indian Assured Lives Mortality (2012-14) Table	As per Indian Assured Lives Mortality (2006-08) Ult Table
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.	

\*The estimates of future salary increase considered takes into account inflation, seniority, promotion and other relevant factors.

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as below:

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	-3.89%	4.17%	-3.74%	3.95%
Impact of decrease in 50 bps on DBO	4.04%	-3.82%	3.99%	-3.74%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

The following payments are expected contributions to the defined benefit plan in future years:

₹ Mn

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Within the next 12 months	304	150

Disaggregation details of plan assets (% allocation):

₹ Mn

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Insurer Managed Funds*	327	613
Bank balances	9	7

\*The funds are managed by Insurers and they do not provide breakup of plan assets by investment type.



## Notes forming part of the Financial Statements

### Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Expected benefits for year 1	304	397
Expected benefits for year 2	283	291
Expected benefits for year 3	269	324
Expected benefits for year 4	251	290
Expected benefits for year 5 and above	3,563	4,979

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.80 years (March 31, 2019: 7.83 years).

### B. Defined contribution plans:

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Employers' contribution to provident and other fund	812	767
Employers' contribution to superannuation fund	84	99

- C. The Company operates its gratuity superannuation plan through separate trust which is administered and managed by the Trustees. As on March 31, 2020 and March 31, 2019, the contribution towards the plans have been invested in Insurer Managed funds and bank balance.

### 52 AUDITOR'S REMUNERATION

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory Audit Fees	89	94
Certification and Other services (included in Legal and Professional Charges)	22	24
Out of pocket expenses (included in Misc. Expenses)	15	4
<b>Total Remuneration</b>	<b>126</b>	<b>122</b>

### 53 EXPENDITURE FOR CORPORATE SOCIAL RESPONSIBILITY

- a) Gross amount required to be spent by the Company during the year is ₹ Nil (March 31, 2019: ₹ Nil).

- b) Amount spent for the year ended March 31, 2020:

Sr. No.	Particulars	₹ Mn		Total
		Amount Paid	Amount Payable	
1	Education	_*	-	-
2	Sanitation	9	17	26
	<b>Total</b>	<b>9</b>	<b>17</b>	<b>26</b>

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

- c) Amount spent for the year ended March 31, 2019:

Sr. No.	Particulars	₹ Mn		Total
		Amount Paid	Amount Payable	
1	Education	3	_*	3
2	Sanitation	6	-	6
3	Others	_*	6	6
	<b>Total</b>	<b>9</b>	<b>6</b>	<b>15</b>

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

## Notes forming part of the Financial Statements

Further, during the year ended March 31, 2019, the Company had accrued an amount of ₹ 727 Mn as exceptional cost towards amounts short spent in the previous years. During the current year, out of the above, the Company has contributed ₹ 364 Mn to Vodafone Foundation, a Company formed for CSR activities. The details for amount contributed is as below:

		₹ Mn
Sr. No.	Particulars	Amount Paid
1	Healthcare	20
2	Education	174
3	Agriculture	107
4	Others	63
	<b>Total</b>	<b>364</b>

### 54 INCOME TAX EXPENSES

#### (a) Major components of tax expense

		₹ Mn	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	
<b>Current Tax</b>			
Current Tax on profits for the year	-	1	
<b>Total Current Tax Expense (A)</b>	<b>-</b>	<b>1</b>	
<b>Deferred Tax</b>			
Relating to addition & reversal of temporary differences	<b>108,448</b>	(49,486)	
Relating to derecognition of tax credits	-	13,123	
<b>Total Deferred Tax Expense (B)</b>	<b>108,448</b>	<b>(36,363)</b>	
<b>Total Tax Expense (A+B)</b>	<b>108,448</b>	<b>(36,362)</b>	
Income tax effect of equity instruments through OCI and re-measurement gains on defined benefit plans taken to OCI	<b>(1,414)</b>	(889)	

#### b) Reconciliation of average effective tax rate and applicable tax rate

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss before income tax expense (₹ Mn)	<b>(622,867)</b>	(176,915)
<b>Applicable Tax Rate</b>	<b>34.94%</b>	34.94%
Increase/reduction in taxes on account of:		
Effect of unrecognised business loss including reversal of previously recognised DAT on business losses	-52.95%	-7.41%
Effect of derecognition of tax credits	0.00%	-7.42%
Effects of expenses/income that are not deductible/considered in determining the taxable profits	-0.33%	-0.20%
Effect of transfer of fibre undertaking	0.92%	0.00%
Effect of income that is exempt from taxation	0.00%	0.59%
Effect of changes in tax rate	0.00%	0.00%
Other Items	0.00%	0.04%
<b>Effective Tax Rate</b>	<b>-17.41%</b>	20.54%

- (c) During the year ended March 31, 2020, the Company has reassessed recognition of deferred tax assets on carry forward losses, unabsorbed depreciation and MAT credit based on its revised business plan. Accordingly, the Company has de-recognised the deferred tax assets of ₹ 108,448 Mn (including DTA recognised on transition of Ind AS 116). During the year ended March 31, 2019, the Company has de-recognised the deferred tax assets in respect of MAT credit of ₹ 13,123 Mn.

## Notes forming part of the Financial Statements

- (d) The Company has not recognized deferred tax assets in respect of carried forward tax losses and unabsorbed depreciation amounting to ₹ 1,034,766 Mn as of March 31, 2020 (March 31, 2019: ₹ 78,536 Mn). The aforesaid tax losses and unabsorbed depreciation will lapse in the subsequent years as follows:

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
Within 0-5 years	-	-
From 5-10 years	463,503	44,966
Unlimited	571,263	33,570
<b>Total</b>	<b>1,034,766</b>	<b>78,536</b>

The Company has also not recognised deferred tax on MAT credit of ₹ 25,699 Mn, ₹ 2,631 Mn is expiring within 0-5 years, ₹ 15,563 Mn is expiring within 5-10 years and ₹ 7,504 Mn is expiring beyond 10 years.

### 55 MOVEMENT IN DEFERRED TAX

Particulars	As at April 1, 2018	Pursuant to merger of ITL (refer note 40(vii))	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	Recognised in		As at March 31, 2019	Recognised in			As at March 31, 2020
				Profit and Loss	OCI		Profit and Loss	OCI	Other Equity (refer note 2(B)(a))	
<b>Liabilities</b>										
Depreciation & Amortisation (including RoU Assets)	65,967	-	89,143	12,304	-	167,414	(27,829)	-	77,533	217,118
Effects of remeasuring financial instruments under Ind AS	585	4	446	(626)	-	409	2,435	-	-	2,844
Investment in Subsidiaries, JVs and associates	15,147	-	-	(9)	(1,076)	14,062	(3,336)	(1,229)	-	9,497
Others	-	-	145	(25)	-	120	(120)	-	-	-
<b>Total (A)</b>	<b>81,699</b>	<b>4</b>	<b>89,734</b>	<b>11,644</b>	<b>(1,076)</b>	<b>182,005</b>	<b>(28,850)</b>	<b>(1,229)</b>	<b>77,533</b>	<b>229,459</b>
<b>Assets</b>										
Tax Losses	61,034	5	134,247	54,197	-	249,483	(119,883)	-	(4,332)	125,268
Expenses allowable on Payment Basis	1,860	-	8,269	(2,336)	(187)	7,606	(2,961)	185	-	4,830
Provisions for doubtful debts/ advances (including lease liability)	2,570	-	2,485	8,793	-	13,848	(14,107)	-	99,251	98,992
MAT credit	13,123	-	-	(13,123)	-	-	-	-	-	-
Others	33	-	(88)	476	-	421	(343)	-	291	369
<b>Total (B)</b>	<b>78,620</b>	<b>5</b>	<b>144,913</b>	<b>48,007</b>	<b>(187)</b>	<b>271,358</b>	<b>(137,294)</b>	<b>185</b>	<b>95,210</b>	<b>229,459</b>
<b>Net Deferred Tax Liabilities/ (assets) (A-B)</b>	<b>3,079</b>	<b>(1)</b>	<b>(55,179)</b>	<b>(36,363)</b>	<b>(889)</b>	<b>(89,353)</b>	<b>108,444</b>	<b>(1,414)</b>	<b>(17,677)</b>	<b>-</b>
<b>As per Financials :</b>										
Deferred Tax Asset	-	-	-	-	-	89,353	-	-	-	-
Deferred Tax Liabilities	3,079	-	-	-	-	-	-	-	-	-

## Notes forming part of the Financial Statements

### 56 BASIC & DILUTED EARNINGS/ (LOSS) PER SHARE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Nominal value of per equity share (₹)	10/-	10/-
Profit/(Loss) after Tax (₹ Mn)	(731,315)	(140,553)
Profit/(Loss) attributable to equity shareholders (₹ Mn)	(731,315)	(140,553)
Weighted average number of equity shares outstanding during the year	27,115,334,543	8,521,238,184
Basic earnings/(loss) per share <sup>(1)</sup> (₹)	(26.97)	(16.49)
Dilutive effect on weighted average number of equity shares outstanding during the year	*	*
Weighted average number of diluted equity shares	27,115,334,543	8,521,238,184
Diluted earnings/(loss) per share <sup>(1)</sup> (₹)	(26.97)	(16.49)

\* As the Company has incurred loss during the year, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

<sup>(1)</sup> Basic and diluted earnings/(loss) per share for the year ended March 31, 2019, have been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended March 31, 2020.

### 57 RELATED PARTY TRANSACTIONS

The related parties where control, joint control and significant influence exists are subsidiaries, joint ventures and associate respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

#### List of subsidiaries

Relationship	Related Party
Subsidiaries (Subs)	Vodafone Idea Communication Systems Limited (formerly Mobile Commerce Solutions Limited) (effective from August 31, 2018)
	Vodafone Idea Business Services Limited (formerly Vodafone Business Services Limited) (effective from August 31, 2018)
	Vodafone Foundation (effective from August 31, 2018)
	Vodafone Idea Shared Services Limited (formerly Vodafone India Ventures Limited) (effective from August 31, 2018)
	Vodafone m-pesa Limited (effective from August 31, 2018)
	Vodafone Idea Technology Solutions Limited (formerly Vodafone Technology Solutions Limited) (effective from August 31, 2018)
	Vodafone India Digital Limited (merged with Vodafone Idea Limited with effect from March 1, 2020 (refer note 40 (vii)) (effective from August 31, 2018)
	Vodafone Idea Telecom Infrastructure Limited (formerly Vodafone Towers Limited) (effective from August 31, 2018)
	You System Integration Private Limited (effective from August 31, 2018)
	You Broadband India Limited (effective from August 31, 2018)
	Connect (India) Mobile Technologies Private Limited (effective from August 31, 2018)
	Aditya Birla Telecom Limited (Merged with Vodafone Idea Limited with effect from November 30, 2018)
	Idea Cellular Infrastructure Services Limited (ceased from May 31, 2018)
	Idea Mobile Commerce Services limited (ceased to exist from February 22, 2018)
Vodafone Idea Manpower Services Limited (formerly Idea Cellular Services Limited)	
Idea Telesystems Limited (merged with Vodafone Idea Limited with effect from March 1, 2020 (refer note 40 (vii))	

## Notes forming part of the Financial Statements

Apart from the above, the Company has transactions with the below related parties

Relationship	Related Party
Associate	Aditya Birla Idea Payments Bank Limited
Joint Venture (JV)	Indus Towers Limited
	Firefly Networks Limited (effective from August 31, 2018)
	Grasim Industries Limited
	Hindalco Industries Limited
	Euro Pacific Securities Limited (effective from August 31, 2018)
	Prime Metals Limited (effective from August 31, 2018)
	Mobilvest (effective from August 31, 2018)
	Vodafone Telecommunications (India) Limited (effective from August 31, 2018)
	Omega Telecom Holdings Private Limited (effective from August 31, 2018)
	Telecom Investment India Private Limited (effective from August 31, 2018)
	Asian Telecommunications Investments (Mauritius) Limited (effective from August 31, 2018)
Promoter Group	Al-Amin Investments Limited (effective from August 31, 2018)
	Jaykay Finholding (India) Private Limited (effective from August 31, 2018)
	CCII (Mauritius) Inc (effective from August 31, 2018)
	Usha Martin Telematics Private Limited (effective from August 31, 2018)
	Pilani Investment And Industries Corporation Limited
	Elaine Investments PTE Limited
	Oriana Investments PTE Limited
	Birla TMT Holdings Private Limited
	IGH Holdings Private Limited
	Trans Crystal Limited (effective from August 31, 2018)
	Aditya Birla PE Advisors Private Limited (formerly Aditya Birla Capital Advisors Private Limited)
	Aditya Birla Finance Limited
	Aditya Birla Capital Limited (formerly Aditya Birla Financial Services Limited)
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Health Insurance Company Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Management Corporation Private Limited (effective from August 31, 2018)
	Aditya Birla Money Limited
Aditya Birla Money Mart Limited (ABMML)	
Aditya Birla Wellness Private Limited	
Aditya Birla Capital Technology Services Ltd [formerly Aditya Birla MyUniverse Limited (wholly owned subsidiary of Aditya Birla Capital Limited w.e.f. 28th June 2019 )]	
Aditya Birla Renewables Limited	
Aditya Birla Science & Technology Company Private Limited	
Birla Brothers Private Limited	
Axiata Group Berhad (ceased from August 16, 2018)	
Axiata Investments 1 India Limited (ceased from August 16, 2018)	
Axiata Investments 2 India Limited (ceased from August 16, 2018)	
Birla Institute of Technology and Science Company	

Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]



## Notes forming part of the Financial Statements

Relationship	Related Party
Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]	Aditya Birla Sun Life AMC Limited (formerly Birla Sun Life Asset Management Company Limited)
	Aditya Birla Sun Life Insurance Company Limited (formerly Birla Sun Life Insurance Company Limited)
	Celcom Axiata Berhad (ceased from August 16, 2018)
	Cable & Wireless Networks India Private Limited (effective from August 31, 2018)
	Cable & Wireless Worldwide Limited (effective from August 31, 2018)
	Cable and Wireless (India) Limited (effective from August 31, 2018)
	Emirates Cement Bangladesh Ltd., Bangladesh (ceased to be a subsidiary w.e.f 02.12.2019)
	Gotan Lime Stone Khanij Udyog Private Limited
	Harish Cement Limited
	Hindalco-Almex Aerospace Limited
	Star Super Cement Industry LLC, UAE (formerly Binani Cement Factory LLC, UAE)
	Vodafone Global Network Limited (effective from August 31, 2018)
	Dialog Axiata PLC- Sri Lanka. (ceased from August 16, 2018)
	Ncell Private Limited (ceased from August 16, 2018)
	PT. XL Axiata, Tbk (ceased from August 16, 2018)
	Robi Axiata Limited (ceased from August 16, 2018)
	Smart Axiata Co. Ltd. (ceased from August 16, 2018)
	Vodafone Enterprise Luxembourg S.A. (effective from August 31, 2018)
	Ultratech Cement Limited
	Vodafone Limited (effective from August 31, 2018)
	Vodafone Enterprise Global Limited (effective from August 31, 2018)
	Vodafone India Services Private Limited (effective from August 31, 2018)
	Vodafone Network Pty Limited (effective from August 31, 2018)
	Vodafone New Zealand Limited (effective from August 31, 2018)
	Vodafone International Services LLC (effective from August 31, 2018)
	Vodafone Libertel B.V. (effective from August 31, 2018)
	Vodafone Telekomunikasyon A.S. (effective from August 31, 2018)
	Vodafone Gmbh (effective from August 31, 2018)
	Vodafone Italia S.P.A. (effective from August 31, 2018)
	Vodafone Ireland Limited (effective from August 31, 2018)
	Vodafone Espana S.A.U. (effective from August 31, 2018)
	Vodacom (Pty) Limited (effective from August 31, 2018)
	Vodafone-Panafon Hellenic Telecommunications Company S.A. (effective from August 31, 2018)
	Vodafone Romania S.A (effective from August 31, 2018)
	Vodafone Magyarorszag (ZRT) (effective from August 31, 2018)
	Vodacom Lesotho (Pty) Limited (effective from August 31, 2018)
	Vodafone Albania Sh.A (effective from August 31, 2018)
	Vodafone Czech Republic A.S. (effective from August 31, 2018)
	Vodafone Enterprise Europe (UK) Limited (effective from August 31, 2018)
	Vodafone US Inc. (effective from August 31, 2018)
	Safaricom PLC (effective from August 31, 2018)
Vodafone Portugal Comunicacoes Pessoais, S.A. (effective from August 31, 2018)	
Vodafone Malta Limited (effective from August 31, 2018)	
Vodafone Net Iletisim Hizmetleri A.S. (effective from August 31, 2018) (formerly Vodafone Alternatif Telekom Hizmetleri A.S.)	

## Notes forming part of the Financial Statements

Relationship	Related Party
Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]	Vodacom Tanzania PLC. (effective from August 31, 2018)
	Vodacom Congo (RDC) S.A. (effective from August 31, 2018)
	Ghana Telecommunications Company Limited (effective from August 31, 2018)
	Vodafone Group Services Limited (effective from August 31, 2018)
	VM, SA (Vodafone Mozambique) (effective from August 31, 2018)
	Vodafone Enterprise Singapore Pte. Ltd. (effective from August 31, 2018)
	Vodafone Global Enterprise Limited (effective from August 31, 2018)
	LLC Vodafone Enterprise Ukraine (effective from August 31, 2018)
	Vodafone Egypt Telecommunications S.A.E. (effective from August 31, 2018)
	Vodafone Roaming Services S.À R.L (effective from August 31, 2018)
	Vodafone Procurement Company S.À R.L (effective from August 31, 2018)
	Vodacom Group Limited (effective from August 31, 2018)
	Cable & Wireless GN Limited (effective from August 31, 2018)
	Cable & Wireless Global (India) Private Limited (effective from August 31, 2018)
	Key Management Personnel (KMP)
Mr. Kumar Mangalam Birla	
Mr. Akshaya Moondra	
Mrs. Alka Bharucha (ceased from March 31, 2018)	
Mr. Arun Thiagarajan	
Mr. Himanshu Kapania	
Mr. Pejavar Murari (ceased from August 31, 2018)	
Mr. Baldev Raj Gupta (ceased from August 31, 2018)	
Mr. Sanjeev Aga (ceased from August 31, 2018)	
Ms. Tarjani Vakil (Ceased from September 17, 2018)	
Mr. Balesh Sharma (ceased as CEO effective August 19,2019)	
Mr. Ravinder Takkar (effective from August 31, 2018, Managing Director effective from August 19,2019)	
Smt. Neena Gupta (effective from September 17, 2018)	
Mr. Arun Adhikari (effective from August 31, 2018)	
Mr. Uday Khanna (from August 31, 2018 till September 28, 2018)	
Mr. Ashwani Windlass (effective from August 31, 2018)	
Dr. Shridhir Sariputta Hansa Wijaysriya (Representative of Axiata and ceased from March 30, 2018)	
Mr. Mohan Gyani (ceased from August 31, 2018)	
Mr. Krishnan Ramachandran (effective from December 27, 2018)	
Mr. Suresh Vaswani (effective from February 8, 2019)	
Mr. Douglas Baillie ( from August 31, 2018 till November 14, 2018)	
Others	Breach Candy Hospital and Research Centre (ceased from August 31, 2018)
	G.D Birla Medical Research & Education Foundation
	Bhubaneshwari Coal Mining Limited (ceased from August 31, 2018)
	Svatantra Microfin Private Limited
	Interglobe Hotels Private Limited

## Notes forming part of the Financial Statements

Relationship	Related Party
Trust <sup>(1)</sup>	Vodafone Idea Limited Employees Group Gratuity Fund (formerly ICL Employee's Group Gratuity Scheme)
	Vodafone Idea Limited Employees Superannuation Scheme (formerly ICL Employee Superannuation Scheme)
	Vodafone Idea Manpower Services Limited Employees Group Gratuity Scheme (formerly Idea Cellular Services Limited Employee's Gratuity Scheme)
	Hutchison Max Telecom Limited Superannuation Fund (effective from August 31, 2018)

<sup>(1)</sup>Transaction with trust includes contribution to provident fund, pension, gratuity and superannuation funds and refer note 51 for information on transaction with post-employment benefit plans mentioned above.

## A. Transactions with Related Parties for the year ended March 31, 2020 and March 31, 2019

Particulars	₹ Mn						
	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter	Others	Subsidiaries
Sale of Service	1	2,470	11	-	28	-	218
	(2)	(1,352)	(7)	-*	-	(7)	(69)
Rent Income	-	-	-	-	-	-	-
	-	-	-	-	-	-	(1)
Purchase of Service	-	9,282^^	80,093^	-	-	-	6,282
	-	(4,818)^^	(77,185)^	-	-	(55)	(4,869)
Purchase of Goods	-	-	-	-	-	-	-
	-	-	-	-	-	-	(25)
Remuneration <sup>(1)</sup>	-	-	-	79	-	-	-
	-	-	-	(160)	-	-	-
Rent Expenses	-	-	-	-	-	-	-
	-	-	-	-	-	-	(10)
Commission	-	-	-	-	-	-	-
	-*	-	-	-	-	-	-*
Non-Compete Fees Expense	-	-	-	-	-	-	-
	-	-	-	(6)	-	-	-
Directors' sitting fees paid	-	-	-	10	-	-	-
	-	-	-	(4)	-	-	-
Interest expense	-	-	-	-	-	-	4
	-	-	-	-	-	-	-
Expenses incurred on behalf of	-	130	-	-	-	-	388
	-*	(65)	-	-	-	-	(69)
Expenses incurred on Company's behalf by	-	71	-	-	-	-	70
	-	(35)	-	-	-	-	(141)
Proceeds of Right Issue	-	-	-	8	179,199	-	-
	-	-	-	-	-	-	-
Payment made on behalf of	-	-	-	-	-	-	786
	-	-	-	-	-	-	-

## Notes forming part of the Financial Statements

Particulars	₹ Mn						
	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter	Others	Subsidiaries
Liquidation Expenses	98	-	-	-	-	-	-
	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	650
	(571)	-	-	-	-	-	(289)
Sale of Fixed Assets	-	-	-	-	-	-	566
	-*	(4)	-	-	-	-	-
Transfer of Fibre Undertaking (refer note 40(iv))	-	-	-	-	-	-	46,579
	-	-	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-	-	9
	-	-	-	-	-	-	(11)
Security Deposit given	-	-	-	-	-	-	900
	-	-	-	-	-	-	(250)
Insurance premium (including advance given)	-	195	-	-	-	-	-
	-	(159)	-	-	-	-	-
Dividend Received	-	-	-	-	-	-	-
	-	-	(2,990)	-	-	-	-
Loan given during the year	-	-	-	-	-	-	155
	-	-	-	-	-	-	(3,031)
Loan repayment during the year	-	-	-	-	-	-	1,684
	-	-	-	-	-	-	(2,641)
Interest Income	-	-	1	-	-	-	712
	-	-	-*	-	-	-	(609)
Donations Given	-	-	-	-	-	-	364
	-	-	-	-	-	-	-
Loan taken during the year	-	-	-	-	-	-	1,220
	-	-	-	-	-	-	-

(Figures in bracket are for the year ended March 31, 2019)

## B. Balances with Related Parties

Particulars	₹ Mn						
	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter	Others	Subsidiaries
Trade and Other Receivables	1	1,336	9	-	8	-	302
	(1)	(1,345)	(4)	-	-	-	(150)
Trade and Other Payables	24	14,956	34,550	-	-	-	211
	(25)	(5,384)	(37,450)	-	-	(1)	(261)
Lease Liability (included in Other non-current financial liabilities and Other current financial liabilities)	-	-	120,559~	-	-	-	-
	-	-	-	-	-	-	-

## Notes forming part of the Financial Statements

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter	Others	Subsidiaries
Deposits Given (included in Other Non Current Financial Assets)	-	-	1,000	-	-	-	900
	-	-	(1,000)	-	-	-	(2)
Other Current Assets (included in Other Current Financial Assets)	-	82	-	-	-	-	-
	-	(169)	-	-	-	-	-
Business Consideration Receivable (refer note 40(iv))	-	-	-	-	-	-	46,579
	-	-	-	-	-	-	-
Interest Accrued but not due (receivable)	-	-	-	-	-	-	38
	-	-	-	-	-	-	(79)
Remuneration payable	-	-	-	2	-	-	-
	-	-	-	(44)	-	-	-
Prepaid Expenses	-	-	484	-	-	-	-
	-	-	(793)	-	-	-	-
Outstanding loan receivable	-	-	8	-	-	-	11,933
	-	-	(8)	-	-	-	(13,462)
Interest payable	-	-	-	-	-	-	3
	-	-	-	-	-	-	-
Other receivable	-	-	1,224	-	-	-	-
	-	-	(1,224)	-	-	-	-
Outstanding loan payable	-	-	-	-	-	-	1,220
	-	-	-	-	-	-	-
Advance received	-	-	-	-	-	-	19
	-	-	-	-	-	-	(4)
Advance given	-	-	-	-	-	-	2
	-	-	-	-	-	-	-

(Figures in bracket are for the year ended March 31, 2019)

<sup>(1)</sup> Excludes charge taken towards share based payments and LTIP. During the year, remuneration to Mr. Ravinder Takkar is paid from the VF group and the same is not charge back to VIL.

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

^ Includes amounts accrued on account of onerous contract (Site Exits) involving invoicing and settlements over a 3 years period.

^^ Includes ₹ 5,395 Mn and ₹ 2,259 Mn ( ₹ 3,158 Mn and ₹ 1,422 Mn as of March 31, 2019 ) towards Business Support Services availed from Vodafone Group Services Ltd and Aditya Birla Management Corporation Private Limited, respectively.

~ Lease liability includes amount for services availed till March 31, 2020 and for services to be received in future which is payable over the lease period. The same has been created pursuant to adoption of Ind AS 116.

**Note:** (i) Related Party transactions excludes assets / liabilities transferred to VIL pursuant to ABTL, ITL and VIDL merger and transferred from VIL to VITIL on account of demerger of fibre undertaking.

(ii) Above excludes any cash inflow/outflow that could possibly arise from the settlement of certain outstanding disputes pertaining to the period until May 31, 2018 pursuant to the implementation agreement entered between the Company and VInL shareholders (refer note 3(B)). The Company has recognised a settlement asset of ₹ 83,687 Mn as at March 31, 2020 (settlement liabilities of ₹ 20,886 Mn as at March 31, 2019) towards the same.



## Notes forming part of the Financial Statements

### C. Commitments with Related Parties

The Company has lease commitments towards its joint venture amounting to ₹ Nil (March 31, 2019 : ₹ 227,183 Mn).

### D. Compensation of Key Management Personnel of the Company

₹ Mn

Particulars	March 31, 2020	March 31, 2019
Short-term employee benefits	77	156
Post-employment benefits <sup>(1)</sup>	2	4
Share-based payment transactions	11	15

<sup>(1)</sup> Represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

### 58 Disclosure as per the requirement of regulation 34 of the Securities and Exchange Board of India (Listing obligations and disclosure requirements) regulations, 2015:

The amounts at the year end and the maximum amount of loans and advances outstanding during the year is as follows:

₹ Mn

Name of the Company	March 31, 2020		March 31, 2019	
	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
<b>Subsidiaries</b>				
Vodafone Idea Business Services Limited (formerly known as Vodafone Business Services Limited) <sup>(1)&amp;(2)</sup>	9,800	10,358	10,358	11,428
Vodafone Idea Telecom Infrastructure Limited (formerly known as Vodafone Towers Limited) <sup>(1)</sup>	-	100	-	10
Vodafone Foundation <sup>(1)&amp;(2)</sup>	5	5	5	5
Vodafone m-pesa Limited <sup>(1)&amp;(2)</sup>	806	1,006	1,006	1,510
Vodafone Idea Technology Solutions Limited (formerly known as Vodafone Technology Solutions Limited) <sup>(1)&amp;(2)</sup>	95	95	95	95
You Broadband India Limited <sup>(1)</sup>	1,103	1,729	1,674	1,674
Vodafone Idea Shared Services Limited (formerly known as Vodafone India Ventures Limited) <sup>(1)</sup>	124	324	324	624
<b>Joint Venture</b>				
Firefly Networks Limited <sup>(1)</sup>	8	8	8	8
	11,941	13,625	13,470	15,354

<sup>(1)</sup> Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))

<sup>(2)</sup> The amounts mentioned above represents gross amount outstanding (refer note 16)

- 59 The Company is one of the members of Aditya Birla Management Corporation Private Limited ('ABMCPL'), a Company limited by guarantee, which has been formed to provide common pool of facilities and resources to its members with a view to optimise the benefits of specialisation and minimize cost to each member. The Company's share of expenses incurred under the common pool has been accounted for at actuals in the respective heads in the Statement of Profit and Loss. Further, the Company has entered into a recharge agreement with ABMCPL pursuant to amalgamation of VMSL and VInL with the Company effective August 31, 2018.

## Notes forming part of the Financial Statements

## 60 FINANCIAL INSTRUMENTS

A) **Financial Instruments by Category:** The following table provides categorisation of all financial instruments at carrying value except non-current investments in subsidiaries and associate which are carried at cost.

₹ Mn

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Current Investments	4,548	-	-	67,088	-	-
Non-current investments	-	42,165	-	-	61,568	-
Trade Receivables	-	-	29,191	-	-	33,081
Loans	-	-	8,423	-	-	13,404
Cash and cash equivalents	-	-	3,223	-	-	6,763
Bank balance other than cash and cash equivalents	-	-	16,504	-	-	4
Margin money deposits <sup>(1)</sup>	-	-	8,235	-	-	1,087
Deposit with Body Corporates, Government Authorities and Others <sup>(1)</sup>	-	-	15,529	-	-	9,066
Interest receivable <sup>(1)</sup>	-	-	1,153	-	-	83
Derivative Financial Assets <sup>(1)</sup>	822	-	-	247	-	-
Settlement assets <sup>(1)</sup> (refer note 3B)	-	-	83,687	-	-	-
Business consideration receivable (refer note 40(iv))	-	-	46,579	-	-	-
Others <sup>(1)</sup>	-	-	1,543	-	-	1,595
<b>Total Financial Assets</b>	<b>5,370</b>	<b>42,165</b>	<b>214,067</b>	<b>67,335</b>	<b>61,568</b>	<b>65,083</b>

₹ Mn

Particulars	As at March 31, 2020		As at March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Liabilities</b>				
Fixed Rate Borrowings including Interest accrued but not due	-	1,054,972	-	1,159,832
Floating Rate Borrowings including Interest accrued but not due	-	157,288	-	163,717
Trade Payables	-	121,460	-	135,430
Payables for Capital Expenditure <sup>(2)</sup>	-	88,581	-	70,433
Accrual towards One Time Spectrum Charges (OTSC) (refer note 40(viii))	-	38,871	-	-
Derivative Financial Liabilities <sup>(2)</sup>	-	-	812	-
Security Deposits from Customers and Others <sup>(2)</sup>	-	3,700	-	4,525
Settlement liability <sup>(2)</sup> (refer note 3B)	-	-	-	83,923
Lease liabilities <sup>(2)</sup>	-	268,530	-	-
Others <sup>(2)</sup>	4	-	4	-
<b>Total Financial Liabilities</b>	<b>4</b>	<b>1,733,402</b>	<b>816</b>	<b>1,617,860</b>

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

<sup>(2)</sup> Included in other current / non-current financial liabilities

## Notes forming part of the Financial Statements

### B) Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

#### i. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2020

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current Investments	4,548	-	-	4,548
Non-current investments	-	42,165	-	42,165
Derivative Financial Assets	-	822	-	822
<b>Total Financial Assets</b>	<b>4,548</b>	<b>42,987</b>	<b>-</b>	<b>47,535</b>
<b>Financial Liabilities</b>				
Others	-	4	-	4
<b>Total Financial Liabilities</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>

#### ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2019

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current Investments	67,088	-	-	67,088
Non-current investments	-	61,568	-	61,568
Derivative Financial Assets	-	247	-	247
<b>Total Financial Assets</b>	<b>67,088</b>	<b>61,815</b>	<b>-</b>	<b>128,903</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	812	-	812
Others	-	4	-	4
<b>Total Financial Liabilities</b>	<b>-</b>	<b>816</b>	<b>-</b>	<b>816</b>

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

#### a) Financial Assets

- Non-current investments (excluding non-current investments in joint venture)
- Trade Receivables
- Loans
- Cash and Cash equivalents
- Bank balance other than cash and cash equivalents
- Margin money deposits
- Deposit with Body Corporates, Government Authorities and Others
- Interest Receivable
- Settlement assets
- Business consideration receivable
- Others

#### b) Financial Liabilities

- Floating Rate Borrowings including Interest accrued but not due
- Trade Payables
- Payable for capital expenditure
- Accrual towards One Time Spectrum Charges (OTSC)
- Security Deposits from Customers and Others
- Settlement liability
- Lease liabilities

## Notes forming part of the Financial Statements

iv. Fair value hierarchy of financial liabilities measured at amortised cost is below:

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Fixed rate borrowings including interest accrued but not due <sup>(1)</sup> :					
As at March 31, 2020	1,054,972	-	1,103,061	-	1,103,061
As at March 31, 2019	1,159,832	-	1,208,788	-	1,208,788

<sup>(1)</sup> Includes Deferred Payment Liability, NCD and others.

### C) Valuation Technique used to determine fair value including fair value through OCI:

Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Company enters into derivative financial instruments such as forward, interest rate swap and cross currency swaps with various counterparties. The fair value of such derivatives instruments are determined using forward exchange rates, currency basis spreads between respective currencies and interest rate curves.

## 61 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, derivative liabilities, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise investments, cash and bank balance, trade and other receivables. The Company also enters into derivative transactions such as foreign forward exchange contracts, Interest rate swaps as a part of Company's financial risk management policies. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Company's senior management comprising of a team of qualified finance professionals with appropriate skills and experience oversees management of these risks and provides assurance to the management that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activity for risk management purposes are carried by specialist team having appropriate skills and experience. The risks and measures to mitigate such risks is reviewed by the committee of Board of Directors periodically.

### Market risk

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At March 31, 2020, after taking into account the effect of interest rate swaps, approximately 86.46% of the Company's borrowings are at a fixed rate of interest (March 31, 2019: 87.07%).

## Notes forming part of the Financial Statements

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on profit before tax
₹ Mn		
<b>March 31, 2020</b>		
INR - Borrowings	+100	(1,278)
	-100	1,278
USD - Borrowings	+100	(280)
	-100	280
<b>March 31, 2019</b>		
INR - Borrowings	+100	(1,337)
	-100	1,337
USD - Borrowings	+100	(292)
	-100	292

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

### b) Foreign currency risk

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

The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies. When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company has major foreign currency risk in USD and EURO. The Company hedged 9.84% (March 31, 2019: 38.60%) of its foreign currency trade payables in USD and 36.65% (March 31, 2019: 10.99%) of its foreign currency loans in USD. This foreign currency risk is hedged by using foreign currency forward contracts and cross currency rate swaps (refer note 46). However, the Company has not hedged the foreign currency trade payables in EURO.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Company's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency exposure	Change in currency exchange rate	Effect on profit before tax
₹ Mn		
<b>March 31, 2020</b>		
USD	+5%	(3,592)
	-5%	3,592
EURO	+5%	(487)
	-5%	487
<b>March 31, 2019</b>		
USD	+5%	(2,716)
	-5%	2,716
EURO	+5%	(214)
	-5%	214

The derivatives have not been designated in a hedge relationship, they act as a hedge and will offset the underlying transactions when they occur.



## Notes forming part of the Financial Statements

### c) Price risk

The Company invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

### d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

#### - Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 to 30 days' credit terms. Outstanding customer receivables are regularly monitored.

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Company, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90/120 days from date of billing and b) for receivables on account of roaming, IUC and passive infrastructure sharing remaining unpaid beyond 180/365 days. Further, allowance is also recognised for cases indicating any specific trail of credit loss within the ageing brackets mentioned above. Individual trade receivables are written off when management deems them not to be collectible. Any subsequent recovery is recognized as Income in the Statement of Profit and Loss. Refer note 13 for the carrying amount of credit exposure as on the Balance Sheet date.

#### - Other financial assets and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's Treasury Department on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2020 and March 31, 2019 on its carrying amounts as disclosed in notes 10, 14, 16 and 17 except for derivative financial instruments. The Company's maximum exposure relating to financial derivative instrument is noted in note 61 (e) and liquidity table below.

### e) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. As at March 31, 2020, approximately 3.96% of the Company's debt excluding interest will mature in less than one year, without considering reclassification into current maturity of debt due to convert breach (March 31, 2019: 9%) based on the carrying value of borrowings reflected in the financial statements. Based on the past performance and future expectation, the Company believes that the existing cash balance along with cash generated from operations, working capital management and available sources of raising funds (including monetisation of certain assets, re-financing of borrowings, etc.) as needed will satisfy its cash flow requirement associated with repayment of borrowings and its operation, through at least the next twelve months (refer note 4(B) and 21(b)).

## Notes forming part of the Financial Statements

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

Particulars	₹ Mn				
	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
<b>As at March 31, 2020</b>					
Borrowings and Interest thereon <sup>(1)</sup>	1,212,260	214,055*	727,806	1,199,299	2,141,160
Trade and other payables <sup>(2)</sup>	248,912	193,053	62,275	-	255,328
Lease liabilities	268,530	122,953	177,600	15,506	316,059
Other financial liabilities <sup>(1) &amp; (2)</sup>	3,704	3,658	46	-	3,704
	<b>1,733,406</b>	<b>533,719</b>	<b>967,727</b>	<b>1,214,805</b>	<b>2,716,251</b>
Derivatives assets <sup>(3)</sup>	(822)	(691)	(131)	-	(822)
<b>Total</b>	<b>1,732,584</b>	<b>533,028</b>	<b>967,596</b>	<b>1,214,805</b>	<b>2,715,429</b>
<b>As at March 31, 2019</b>					
Borrowings and Interest thereon <sup>(1)</sup>	1,323,549	333,079*	659,239	1,180,078	2,172,396
Trade and other payables <sup>(2)</sup>	205,863	183,754	22,109	-	205,863
Other financial liabilities <sup>(1) &amp; (2)</sup>	88,452	4,504	83,948	-	88,452
	<b>1,617,864</b>	<b>521,337</b>	<b>765,296</b>	<b>1,180,078</b>	<b>2,466,711</b>
Derivatives liabilities	812	812	-	-	812
Derivatives assets <sup>(3)</sup>	(247)	(167)	(80)	-	(247)
<b>Total</b>	<b>1,618,429</b>	<b>521,982</b>	<b>765,216</b>	<b>1,180,078</b>	<b>2,467,276</b>

\*The Company has classified gross amount ₹ 142,757 Mn (March 31, 2019: ₹ 102,802 Mn) from non-current borrowings to current maturities of long term borrowings although the Company believes that there will be no acceleration of payment in this regard (refer note 21(b)).

<sup>(1)</sup> Interest accrued but not due of ₹ 61,085 Mn (March 31, 2019: ₹ 64,150 Mn) has been excluded from other financial liabilities and included in borrowings and interest thereon.

<sup>(2)</sup> Payable for capital expenditure of ₹ 88,581 Mn (March 31, 2019: ₹ 70,433 Mn) and Accrual towards One Time Spectrum Charges (OTSC) of ₹ 38,871 Mn (March 31, 2019: ₹ Nil) has been excluded from other financial liabilities and included in trade and other payables.

<sup>(3)</sup> Included as part of maturity profile as the underlying of these derivatives are borrowings and other financial liabilities included above.

### 62 IMPAIRMENT REVIEW:

As at March 31, 2020, in view of market capitalization of the company higher than the net assets value in books, there is no trigger for impairment of non-current assets of the Company. However, consistent with previous year, the Company has tested for impairment of non-current assets and such testing did not result in any impairment in the carrying value of non-current assets.

The recoverable amount has been determined based on value-in-use calculation using cash flow projections from financial budgets approved by board of directors covering a four-year period. The cash flow beyond the planning period are extrapolated using appropriate terminal growth rate.

The key assumptions used to calculate the value-in-use are as follows:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Discount rate (post tax rate)
- Growth rate
- Capital expenditure

**EBITDA:** The EBITDA margins have been estimated based on the past experience, synergy realization and other cost optimisation initiatives being undertaken by the Company and after considering incremental revenues from existing and new customers from all revenue streams.

**Discount rate:** Discount rate reflects the current market assessment of the risks specific to the Company taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate is derived based on the weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. The post-tax discount rate currently used to discount the estimated cash flows is 11.48 %.

## Notes forming part of the Financial Statements

**Growth rate:** The terminal growth rate used for extrapolating cash flows beyond the period of 4 years is 5% and is in line with the long-term average growth rate of the telecom industry in India and are consistent with internal / external sources of information.

**Capital expenditure:** The cash flow forecasts of capital expenditure are based on additional estimated capital expenditure towards incremental coverage and capacity enhancement requirements.

### 63 CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using the net debt-equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, fixed deposit with banks having maturity of 3 to 12 months and investment in liquid mutual funds.

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
Borrowings	964,346	1,085,236
Current Maturities of long term debts	186,829	174,163
Less: Investment in liquid mutual funds	(4,548)	(67,088)
Less: Cash and cash equivalents	(3,223)	(6,763)
Less: Fixed deposits with banks having maturity of 3 to 12 months	(16,500)	-
<b>Net debt (A)</b>	<b>1,126,904</b>	<b>1,185,548</b>
Equity share capital	287,354	87,356
Other Equity	(197,341)	547,848
<b>Total Equity (B)</b>	<b>90,013</b>	<b>635,204</b>
<b>Net debt-equity ratio (A)/(B)</b>	<b>12.52</b>	<b>1.87</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019.

- 64 Financial statements for the year ended March 31, 2020 are not comparable with the previous year due to the facts as mentioned in notes 2(B)(a), 3(A) and 40(iv). Previous year figures have been regrouped/rearranged wherever necessary to conform to the current year grouping.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Nilangshu Katriar

Partner

Membership No.: 58814

Place: Mumbai

Date : June 30, 2020

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

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Akshaya Moondra

Chief Financial Officer

Place: Jodhpur

Ravinder Takkar

Managing Director & Chief Executive Officer

(DIN : 01719511)

Place: London

Pankaj Kapdeo

Company Secretary

Place: Mumbai

## Independent Auditor's Report

To the Members of  
Vodafone Idea Limited

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Vodafone Idea Limited (formerly known as Idea Cellular Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint ventures comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statements and on the other financial information of joint venture the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2020, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the financial statements which describes the DoT demand based on Hon'ble Supreme Court judgment dated October 24, 2019 on the definition of Gross Revenue as per the UASL agreement and the liability on license fee and spectrum usage charges. Further, owing to its financial performance and financial condition, the Company has breached its debt covenants as at

March 31, 2020 for which it is in discussions with various lenders. This has impacted the Company's ability to generate the cash flow that it needs to settle/ refinance its liabilities and guarantees as they fall due, resulting in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern.

The said assumption of going concern is dependent upon positive outcome of Company's and DoT application with respect to deferred payment of its AGR liability, waiver of debt covenant breaches and its ability to generate/arrange the cash flow that it needs to settle or refinance its liabilities and guarantees as they fall due. Our opinion is not modified in respect of this matter.

Material uncertainty arising out of certain developments and its consequential impact on business operations"- Reported in the auditors' report on the financial statements of Indus Towers Limited, a joint venture company, as at March 31, 2020:

As stated in Note 43(vii), the audit report of Indus Towers Limited ('Indus'), a Joint Venture Company, on the audited financial statements for the year ended March 31, 2020, includes a matter which describes on the effect on business, results of operations, and financial condition of Indus on account of uncertainty regarding continuance of operations of its two customers, including the Company, which are impacted by the AGR judgement of Hon'ble Supreme Court dated October 24, 2019 and March 18, 2020. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition</b> <i>(as described in note 5(a) of the Consolidated Ind AS financial statements)</i>	
<p>For the year ended March 31, 2020, the service revenue recognised was ₹ 449,123 million.</p> <p>Revenue recognition has been identified as a key audit matter due to complexity of systems in recognizing revenues, significance of volumes of data process by system, constantly evolving pricing with heavily discounted tariffs and operation in highly competitive marketplace.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• With the assistance by IT specialists, we obtained an understanding, evaluated the design and tested the operating effectiveness of key IT general and application controls related to the revenue recognition processes. We also tested relevant IT infrastructure and applications that result in generation of various IT reports used for billing and revenue recognition process.</li> <li>• We tested for operating effectiveness of IT dependent manual controls, including data analytics and trend analysis, test of various reconciliations between billing system, prepaid applications and also performed re-computation of deferment of revenue.</li> <li>• We assessed the revenue related accounting policy, critical estimates and assumptions and disclosures in the consolidated Ind AS financial statements.</li> </ul>
<b>Claims and exposures relating to litigation from taxation matters and change in regulatory environment including provision in the books for regulatory demands</b> <i>(as described in note 45, 4(A) and 43(viii) of the Consolidated Ind AS financial statements)</i>	
<p>At March 31, 2020 the value of regulatory, tax and legal disputes disclosed as contingent liabilities was ₹ 116,898 million.</p> <p>Pursuant to the Hon'ble Supreme Court judgement, Company has recorded the provision for AGR of ₹ 442,336 million during FY 2019-20. Further, the Company has also recorded provision of ₹ 38,871 million for one time spectrum charges for more than 6.2 MHz spectrum.</p> <p>Taxation, regulatory and litigation exposures have been identified as a key audit matter due to everchanging regulatory environment and significant judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We obtained summary of all tax, regulatory and litigation matters including management's assessment.</li> <li>• We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to management's risk assessment process for taxation, regulatory and legal matters.</li> <li>• We obtained and read external legal opinions (where considered necessary) and other evidences provided by management to corroborate management's assessment of regulatory and legal matters.</li> <li>• Engaged tax/regulatory specialists to assess the tax/regulatory positions taken by management with respect to tax/regulatory litigations.</li> <li>• Verified the provisions recorded in the books by the Company including the interest computations based on the demands received by the Company from DoT, internal records of the Company based on the Hon'ble Supreme Court judgement and validated the provisions recorded in the books.</li> <li>• Assessed the relevant accounting policies and disclosures in the consolidated Ind AS financial statements for compliance with the requirements of accounting standards.</li> </ul>
<b>Borrowings, interest and debt covenant testing</b> <i>(as described in note 24 of the Consolidated Ind AS financial statements)</i>	
<p>At March 31, 2020, current and non-current borrowings including interest accrued was ₹ 1,212,260 million and bank guarantee was ₹ 214,329 million.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We tested the debt covenant ratio specified in the loan agreements and the computation and assessed the classification of the borrowing in financial statement based on the results of such testing.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<p>Annual covenant testing as at March 31, 2020 resulted in certain ratios breaching the specified covenant threshold for loans aggregating ₹ 155,208 million. Accordingly, the Company has classified ₹ 142,757 million from non-current borrowings to current maturities of long-term debt.</p> <p>Borrowings has been identified as a key audit matter due to debt covenant testing, change in credit ratings of the loans and various correspondences received from banks and financial institutions for additional security / increase in interest rate resulting in recognition, presentation and measurement complexities.</p>	<ul style="list-style-type: none"> <li>• We obtained the independent confirmation from the bank with respect to borrowings and non-fund based facilities [including bank guarantees/letter of credit] outstanding as at March 31, 2020 and compared the amounts as per confirmations with the amounts in the books of accounts and tested the reconciliation provided by management</li> <li>• We verified the interest rate used by the Company for computation of interest cost with the loan agreements and correspondences received by the Company from respective banks and corresponding increase in rate due non-remediation of debt covenant and downgrade in credit rating.</li> <li>• We verified the security created against fund and non-fund facilities with the agreements and documents related to charges filed with Register of Companies.</li> <li>• We assessed the borrowing related accounting policy and disclosures in the consolidated Ind AS financial statements for compliance as per Ind AS 107.</li> </ul>

#### Other Information

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report, is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act

read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

- (a) The consolidated Ind AS financial statements include the Group's share of profit after tax of ₹ 11 million and total comprehensive income of ₹ 11 million for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of one joint venture whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of such other auditor.
- (b) The consolidated Ind AS financial statements also includes the Group's share of net loss after tax of ₹ 124 million and total comprehensive loss of ₹ 123 million for the year ended March 31, 2020, as considered in the consolidated Ind AS

financial statements, in respect of an associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been approved and furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of the associate and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements and other financial information of an associate and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditor;
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019;
- (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken

on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate and joint ventures, none of the directors of the Group's companies, its associate and joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate and joint ventures incorporated in India, refer to our separate Report in "Annexure" to this report;
- (h) In our opinion and based on the consideration of report of other statutory auditor of the joint venture, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Group, its associate and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of an associate and a joint venture, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint ventures in its consolidated Ind AS financial statements – Refer Note 45 to the consolidated Ind AS financial statements;
  - ii. The Group, its associate and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group, its associate and joint ventures.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

#### per Nilangshu Katriar

Partner

Membership No.: 58814

UDIN: 20058814AAAABS1498

Place: Mumbai

Date: June 30, 2020

## Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Vodafone Idea Limited

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

In conjunction with our audit of the consolidated financial statements of Vodafone Idea Limited (formerly known as Idea Cellular Limited) as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Vodafone Idea Limited (formerly known as Idea Cellular Limited) (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate and joint ventures, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

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

#### Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to one associate company and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such associate and joint venture incorporated in India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

#### per Nilangshu Katriar

Partner

Membership No.: 58814

UDIN: 20058814AAAABS1498

Place: Mumbai

Date: June 30, 2020



## Consolidated Balance Sheet as at March 31, 2020

Particulars	Notes	₹ Mn	
		As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (including RoU Assets)	7	663,113	502,526
Capital work-in-progress	7	10,415	23,587
Investment property	8	660	672
Goodwill on consolidation		-	36
Other Intangible assets	9	1,194,592	1,274,767
Intangible assets under development	9	966	27,443
Investments accounted for using the equity method	10	15,244	15,298
<b>Financial assets</b>			
Long term loans to employees		2	8
Other non-current financial assets	11	82,457	10,362
Deferred tax assets (net)	56	20	103,385
Other non-current assets	12	134,866	155,099
<b>Total non-current assets (A)</b>		<b>2,102,335</b>	<b>2,113,183</b>
<b>Current assets</b>			
Inventories	13	25	42
<b>Financial assets</b>			
Current investments	14	4,548	67,088
Trade receivables	15	30,943	33,000
Cash and cash equivalents	16	3,708	8,428
Bank balance other than cash and cash equivalents	17	22,922	1,480
Loans to joint venture and others	18	9	19
Other current financial assets	19	23,033	680
Other current assets	20	81,673	71,260
<b>Total current assets (B)</b>		<b>166,861</b>	<b>181,997</b>
Assets classified as held for sale (AHFS) (C)	21(a)	-	1,815
<b>Total Assets (A+B+C)</b>		<b>2,269,196</b>	<b>2,296,995</b>

## Consolidated Balance Sheet as at March 31, 2020

Particulars	Notes	₹ Mn	
		As at March 31, 2020	As at March 31, 2019
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	22	287,354	87,356
Other equity	23	(227,555)	508,992
<b>Total equity (A)</b>		<b>59,799</b>	<b>596,348</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Long term borrowings	24	962,804	1,044,029
Trade payables		6,660	8,680
Other non-current financial liabilities	25	274,073	97,381
Long term provisions	26	3,421	3,467
Deferred tax liabilities (net)	56	38	471
Other non-current liabilities	27	4,611	4,235
<b>Total non-current liabilities (B)</b>		<b>1,251,607</b>	<b>1,158,263</b>
<b>Current liabilities</b>			
Financial liabilities			
Short term borrowings	28	322	41,207
Trade payables		117,634	126,486
Other current financial liabilities	29	377,135	303,946
Other current liabilities	30	462,206	69,499
Short term provisions	31	493	379
<b>Total current liabilities (C)</b>		<b>957,790</b>	<b>541,517</b>
Liabilities classified as held for sale (D)	21(b)	-	867
<b>Total Equity and Liabilities (A+B+C+D)</b>		<b>2,269,196</b>	<b>2,296,995</b>
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

**Nilangshu Katriar**

Partner

Membership No.: 58814

Place: Mumbai

Date : June 30, 2020

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

**Himanshu Kapania**

Director

(DIN : 03387441)

Place: Mumbai

**Akshaya Moondra**

Chief Financial Officer

Place: Jodhpur

**Ravinder Takkar**

Managing Director & Chief Executive Officer

(DIN : 01719511)

Place: London

**Pankaj Kapdeo**

Company Secretary

Place: Mumbai

## Consolidated Statement of Profit and loss for the year ended March 31, 2020

₹ Mn

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Service revenue		449,123	369,865
Sale of trading goods		44	191
Other operating income	32	408	869
<b>Revenue from operations</b>		<b>449,575</b>	<b>370,925</b>
Other income	33	10,393	7,311
<b>Total income</b>		<b>459,968</b>	<b>378,236</b>
<b>Operating Expenditure</b>			
Cost of trading goods		129	260
Employee benefit expenses	34	21,643	22,944
Network expenses and IT outsourcing cost	35	109,916	170,052
License fees and spectrum usage charges	36	48,482	39,331
Roaming and access charges	37	59,976	41,690
Subscriber acquisition and servicing expenditure	38	29,291	28,007
Advertisement, business promotion expenditure and content cost	39	11,692	10,439
Other expenses	40	19,321	16,975
		<b>300,450</b>	<b>329,698</b>
<b>Profit/(Loss) before finance costs, depreciation, amortisation, share of net profit/(loss) of joint ventures and associate, exceptional items and tax</b>		<b>159,518</b>	<b>48,538</b>
Finance costs	41	153,920	95,425
Depreciation	7 & 8	152,080	77,984
Amortisation	9	91,484	67,372
<b>Profit/(Loss) before share of profit/(loss) of joint ventures and associate, exceptional items and tax</b>		<b>(237,966)</b>	<b>(192,243)</b>
Add: Share in profit/(loss) of joint ventures (net)		3,677	2,707
Add: Share in profit/(loss) of associate		(124)	(739)
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(234,413)</b>	<b>(190,275)</b>
Exceptional items (net)	42	(383,557)	8,521
<b>Profit/(Loss) before tax</b>		<b>(617,970)</b>	<b>(181,754)</b>
Tax expense:			
– Current tax	55	4	182
– Deferred tax	55 & 56	120,807	(35,897)
<b>Profit/(Loss) after tax</b>		<b>(738,781)</b>	<b>(146,039)</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/(loss) on defined benefit plans	54	(281)	501
Income tax effect	55 & 56	193	(178)
Group's share in other comprehensive income/ (loss) of joint ventures and associate (net of taxes)		(2)	5
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(90)</b>	<b>328</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(738,871)</b>	<b>(145,711)</b>
<b>Earnings/(loss) per equity share of ₹ 10 each:</b>	57		
Basic (₹)		(27.26)	(17.17)
Diluted (₹)		(27.26)	(17.17)
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

Nilangshu Katriar  
Partner  
Membership No.: 58814

Place: Mumbai  
Date : June 30, 2020

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

Himanshu Kapania  
Director  
(DIN : 03387441)  
Place: Mumbai

Akshaya Moondra  
Chief Financial Officer  
Place: Jodhpur

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

Pankaj Kapdeo  
Company Secretary  
Place: Mumbai

## Consolidated Statement of Changes in Equity for the year ended March 31, 2020

### A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 10 each issued, subscribed and fully paid

	₹ Mn	
	Numbers	Amount
<b>As at April 1, 2018</b>	4,359,320,930	43,593
Issue of shares pursuant to amalgamation of Vodafone Mobile Services Limited ('VMsL') and Vodafone India Limited ('VInL') with the Company (refer note 3(A))	4,375,199,464	43,752
Issue of shares under Employee Stock Option Scheme (ESOS)	1,037,935	11
<b>As at March 31, 2019</b>	<b>8,735,558,329</b>	<b>87,356</b>
Allotment of equity shares under Rights Issue (refer note 43(i))	19,999,830,911	199,998
<b>As at March 31, 2020</b>	<b>28,735,389,240</b>	<b>287,354</b>

## Consolidated Statement of Changes in Equity for the year ended March 31, 2020

## B. OTHER EQUITY

Particulars	Reserves and surplus						Total		
	Capital reserve (refer note 23(i))	Capital reduction reserve (refer note 23(ii))	Debt redemption reserve	Securities premium	Amalgamation adjustment deficit account (refer note 23(v))	General reserve		Retained earnings	Employee stock options reserve
<b>As at April 1, 2018</b>	-	-	4,408	193,354	-	169	30,299	802	229,032
Profit/(Loss) for the year ended March 31, 2019	-	-	-	-	-	-	(146,039)	-	(146,039)
Other comprehensive income/(loss) for year ended March 31, 2019	-	-	-	-	-	-	328	-	328
<b>Total comprehensive income/(loss)</b>	-	-	-	-	-	-	(145,711)	-	-
Pursuant to amalgamation of erstwhile Vodafone Mobile Services Limited (VMSL) and erstwhile Vodafone India Limited (VinL) with the Company (refer note 3(A))	165	277,787	-	842,139	(488,408)	1,393	(122,024)	-	511,052
Pursuant to merger of Aditya Birla Telecom Limited (ABTL) with the Company (refer note 43(v))	(3,474)	-	-	-	-	-	3,449	-	(25)
Settlement assets/liabilities (refer note 3(B))	(85,015)	-	-	-	-	-	-	-	(85,015)
Issue of shares under ESOS	-	-	-	1	-	-	-	-	1
Stamp duty on issue of shares on amalgamation of VMSL and VinL with the Company (refer note 3(A))	-	-	-	(83)	-	-	-	-	(83)
Share-based payment expenses (refer note 53) <sup>(1)</sup>	-	-	-	-	-	-	-	(12)	(12)
Transfer to Securities premium account on exercise of options	-	-	-	121	-	-	-	(121)	-
Group's share of additional depreciation in joint venture (Indus) on fair valued assets/physical verification adjustments pursuant to scheme	-	-	-	-	-	-	(247)	-	(247)
<b>As at March 31, 2019</b>	<b>(88,324)</b>	<b>277,787</b>	<b>4,408</b>	<b>1,035,532</b>	<b>(488,408)</b>	<b>1,562</b>	<b>(234,234)</b>	<b>669</b>	<b>508,992</b>
Transition impact of Ind AS 116 (refer note 2(D) (a))	-	-	-	-	-	-	(44,649)	-	(44,649)
Group's share of transition impact of Ind AS 116 by joint venture (Indus)	-	-	-	-	-	-	(1,740)	-	(1,740)
<b>Restated balance as at April 1, 2019</b>	<b>(88,324)</b>	<b>277,787</b>	<b>4,408</b>	<b>1,035,532</b>	<b>(488,408)</b>	<b>1,562</b>	<b>(280,623)</b>	<b>669</b>	<b>462,603</b>
Profit/(Loss) for the year ended March 31, 2020	-	-	-	-	-	-	(738,781)	-	(738,781)
Other comprehensive income/(loss) for year ended March 31, 2020	-	-	-	-	-	-	(90)	-	(90)
<b>Total comprehensive income/(loss)</b>	-	-	-	-	-	-	(738,871)	-	-
Settlement assets/liabilities (refer note 3(B))	(136)	-	-	-	-	-	-	-	(136)
Pursuant to merger of Idea Telesystems Limited (ITL) with the Company (refer note 43(vi))	-	-	-	-	(36)	-	-	-	(36)
Allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn) (refer note 43(i))	-	-	-	49,166	-	-	-	-	49,166
Share-based payment expenses (refer note 53) <sup>(1)</sup>	-	-	-	-	-	-	-	(13)	(13)
Group's share of additional depreciation in joint venture (Indus) on fair valued assets/physical verification adjustments pursuant to scheme	-	-	-	-	-	-	(268)	-	(268)
<b>As at March 31, 2020</b>	<b>(88,460)</b>	<b>277,787</b>	<b>4,408</b>	<b>1,084,698</b>	<b>(488,444)</b>	<b>1,562</b>	<b>(1,019,762)</b>	<b>656</b>	<b>(227,555)</b>

<sup>(1)</sup> The charge for the year is net of reversal on account of cancellation of unvested options.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Nilangshu Katriar

Partner

Membership No.: 58814

Place: Mumbai

Date : June 30, 2020

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

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Ravinder Takkar

Managing Director & Chief Executive Officer

(DIN : 01719511)

Place: London

Akshaya Moondra

Chief Financial Officer

Place: Jodhpur

Pankaj Kapdeo

Company Secretary

Place: Mumbai



## Statement of Consolidated Cash Flows for the year ended March 31, 2020

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Operating activities</b>		
Loss before tax	(617,970)	(181,754)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Share in (profit)/loss of joint ventures and associate (net)	(3,553)	(1,968)
Depreciation of property, plant and equipment (including RoU Assets) and investment property	152,080	77,984
Amortisation of intangible assets	91,484	67,372
Share-based payment expense (ESOS)	(102)	246
(Gain)/loss on disposal of property, plant and equipment and intangible assets (net)	26	(91)
Accelerated depreciation on account of network re-alignment (refer note 42)	57,571	5,511
License fees and SUC on AGR (refer note 42)	275,143	-
One Time Spectrum Charges (refer note 42)	38,871	-
Impairment of investment in associates (refer note 42)	1,596	-
Finance costs (including fair value change in financial instruments)	153,920	95,425
Provision for gratuity and compensated absences	(285)	(672)
Bad debts / advances written off	5,332	28
Allowance for doubtful debts / advances	(1,960)	2,301
Liabilities / provisions no longer required written back	(229)	(652)
Gain on sale of ICISL and profit before tax of ICISL upto date of sale	-	(33,766)
Other income	(10,258)	(7,311)
<b>Working capital adjustments</b>		
(Increase)/Decrease in trade receivables	(807)	3,506
Decrease in inventories	17	361
(Increase) in other financial and non-financial assets	(28,067)	(3,666)
(Decrease)/Increase in trade payables	(11,012)	40,872
(Decrease) in other financial and non-financial liabilities	(52,586)	(13,043)
<b>Cash flows from operating activities</b>	49,211	50,683
Income tax refund (including TDS) (net)	24,064	2,795
<b>Net cash flows from operating activities</b>	73,275	53,478
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(79,662)	(76,519)
Payment towards deferred spectrum liability	(3,978)	-
Payment towards -one time spectrum charges	-	(39,263)
Proceeds from sale of property, plant and equipment and intangible assets	1,651	659
Proceeds from sale of subsidiary	-	42,303
Investment in associate (refer note 10) <sup>(1)</sup>	-	(571)
Net sale/(purchase) of current investments	65,423	(3,731)
Interest received	5,172	344
Fixed deposits with banks having maturity of 3 to 12 months	(16,504)	-
Dividend received from joint venture (Indus)	-	2,990
<b>Net cash flows used in investing activities</b>	(27,898)	(73,788)

## Statement of Consolidated Cash Flows for the year ended March 31, 2020

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Financing activities</b>		
Proceeds from issue of equity shares on exercise of share options	-	1
Proceeds from allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn) (refer note 43(i))	249,164	-
Stamp duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	(83)
Payment of interest and finance charges <sup>(2)</sup>	(152,585)	(50,711)
Proceeds from long term borrowings	-	58,072
Repayment of long term borrowings	(40,517)	(12,432)
Proceeds from short term borrowings	33,916	33,712
Repayment of short term borrowings	(74,225)	(58,053)
Payment of lease liabilities (refer note 46)	(65,940)	-
<b>Net cash flows (used in) financing activities</b>	<b>(50,187)</b>	<b>(29,494)</b>
<b>Net decrease in cash and cash equivalents during the year</b>	<b>(4,810)</b>	<b>(49,804)</b>
Cash and cash equivalents at the beginning of the year	7,558	(24)
Add: Cash and cash equivalent of VInL and its subsidiaries on amalgamation of VMSL and VInL with the Company (net of bank overdraft ₹ Nil (March 31, 2019: ₹ 5,991 Mn)) (refer note 3(A))	-	58,307
Add/(Less): Cash and cash equivalents of VMPL (refer note 43(iii))	921	(921)
<b>Cash and cash equivalents at the end of the year</b>	<b>3,669</b>	<b>7,558</b>

<sup>(1)</sup> excludes value of shares allotted on merger of IMCSL, being non-cash transaction.

<sup>(2)</sup> includes interest payment on deferred payment liabilities forming part of long term borrowings

## 1. Cash and Cash Equivalents include the following Balance Sheet amounts

₹ Mn

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash on hand	34	82
Cheques on hand	31	461
Balances with banks		
In current accounts	2,696	6,459
In deposit accounts	947	1,426
	<b>3,708</b>	<b>8,428</b>
Less: Bank overdraft which forms an integral part of cash management (refer note 28)	(39)	(870)
	<b>3,669</b>	<b>7,558</b>

## Statement of Consolidated Cash Flows for the year ended March 31, 2020

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

₹ Mn

Particulars	Borrowing including current maturities	Changes in derivative liabilities (net)	Interest accrued but not due	Lease liabilities
<b>Balance as at April 1, 2018</b>	579,634	84	27,808	-
(i) Cash flow Items				
Net proceed/(repayment) of borrowings	21,299	-	-	-
Payment of Interest and finance charges	(9,023)	(70)	(41,618)	-
(ii) Non - cash items				
Addition pursuant to amalgamation of VMSL, VinL and its subsidiaries with the Company (refer note 3(A))	622,887	(2,453)	26,331	-
Foreign exchange (gain)/loss	1,389	-	(1,389)	-
Finance cost accrued (charged to profit and loss/capitalised)	-	3,011	95,363	-
Upfront fees amortisation	907	-	(907)	-
Interest on asset retirement obligation	-	-	(9)	-
Accrued interest on deferred payment liability for spectrum and others transferred to borrowing on anniversary date	41,436	-	(41,436)	-
<b>As at March 31, 2019</b>	<b>1,258,529</b>	<b>572</b>	<b>64,143</b>	-
Transition impact of Ind AS 116	-	-	-	284,335
<b>Restated balance as at April 1, 2019</b>	<b>1,258,529</b>	<b>572</b>	<b>64,143</b>	<b>284,335</b>
(i) Cash flow Items				
Net proceed/(repayment) of borrowings	(80,826)	-	-	-
Payment of Interest and finance charges	(104,555)	(55)	(47,975)	-
Payment towards Spectrum and Licenses – Deferred payment liability	(3,978)	-	-	-
Payment of lease liabilities (refer note 46)	-	-	-	(65,940)
(ii) Non - cash items				
Foreign exchange (gain)/loss	2,341	-	(2,341)	-
Finance cost accrued (charged to profit and loss/capitalised)	-	(1,339)	129,107	26,152
Upfront fees amortisation	206	-	(206)	-
Interest on asset retirement obligation	-	-	(27)	-
Interest related to vendors and other liabilities	-	-	(3,421)	-
Accrued interest on deferred payment liability for spectrum and others transferred to borrowing on anniversary date	78,199	-	(78,199)	-
Addition of lease liabilities (refer note 46)	-	-	-	33,218
Deletion of lease liabilities (refer note 46)	-	-	-	(8,973)
<b>As at March 31, 2020</b>	<b>1,149,916</b>	<b>(822)</b>	<b>61,081</b>	<b>268,792</b>

3. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows. The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Nilangshu Katriar

Partner

Membership No.: 58814

Place: Mumbai

Date : June 30, 2020

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

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Akshaya Moondra

Chief Financial Officer

Place: Jodhpur

Ravinder Takkar

Managing Director & Chief Executive Officer

(DIN : 01719511)

Place: London

Pankaj Kapdeo

Company Secretary

Place: Mumbai

## Notes forming part of the Consolidated Financial Statements

### 1. CORPORATE INFORMATION

Vodafone Idea Limited (formerly Idea Cellular Limited) ('the Company'), a public limited company, was incorporated under the provisions of the Companies Act applicable in India on March 14, 1995. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (Scrip Code; NSE: IDEA, BSE: 532822). The registered office of the Company is situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar – 382011, Gujarat. The Company is one of the leading telecom service providers in India. The Company and its subsidiaries ("the Group") is engaged in the business of Mobility and Long Distance services, trading of handsets and data cards.

These consolidated financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 30, 2020.

### 2(A) STATEMENT OF COMPLIANCE

These consolidated financial statements of the Company, its subsidiaries (the "Group"), joint ventures and associate comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Statement of Consolidated Cash Flows together with the consolidated notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

### 2(B) BASIS OF PREPARATION AND CONSOLIDATION

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All financial information presented in INR has been rounded off to million unless otherwise stated.

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

Effective April 1, 2019, the Group has adopted Ind AS 116 on Leases basis the modified retrospective method for all lease contracts that are live as at April 1, 2019 (being the date of initial application). Accordingly, the comparative information has not been restated.

The consolidated financial statements have been consolidated in accordance with Ind AS 110, 'Consolidated Financial Statements'.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee and
- Has the ability to affect those returns through its power to direct the relevant activities of the investee.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than majority of voting or similar rights over an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Rights arising from other contractual arrangements
- Potential voting rights held by the Group

The consolidated financial statements of the Group are prepared based on a line by line consolidation of the separate financial statements of the Company and its subsidiaries whereby the book values of like items of assets, liabilities, income, expenses and tax have been added after eliminating intra-group balances, transactions and resulting unrealised gains or losses.

Subsidiaries are consolidated from the date on which control is acquired by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet, respectively.

The financial statements of the following entities in the Group are prepared using uniform accounting policies and are drawn up to the same accounting period as that of the Company.

## Notes forming part of the Consolidated Financial Statements

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			March 31, 2020	March 31, 2019
1	Idea Telesystems Limited ('ITL') <sup>(4)</sup>	Subsidiary	-	100.00
2	Aditya Birla Telecom Limited ('ABTL') <sup>(1)</sup>	Subsidiary	-	-
3	Vodafone Idea Manpower Services Limited (Formerly known as Idea Cellular Services Limited ('ICSL'))	Subsidiary	100.00	100.00
4	Idea Cellular Infrastructure Services Limited <sup>(2)</sup> ('ICISL')	Subsidiary	-	-
5	Vodafone Idea Telecom Infrastructure Limited (Formerly known as Vodafone Towers Limited ('VTL')) <sup>(3)</sup>	Subsidiary	100.00	100.00
6	Vodafone Idea Business Services Limited (Formerly known as Vodafone Business Services Limited ('VBSL')) <sup>(3)</sup>	Subsidiary	100.00	100.00
7	Vodafone Idea Communication Systems Limited (Formerly known as Mobile Commerce Solutions Limited ('MCSL')) <sup>(3)</sup>	Subsidiary	100.00	100.00
8	Vodafone Foundation ('VF') (Registered under section 8 of Companies Act, 2013) <sup>(3)</sup>	Subsidiary	100.00	100.00
9	Connect (India) Mobile Technologies Private Limited ('CIMTPL') <sup>(3)</sup>	Subsidiary	100.00	100.00
10	Vodafone m-pesa Limited ('VMPL') <sup>(3)</sup>	Subsidiary	100.00	100.00
11	Vodafone Idea Technology Solutions Limited (Formerly known as Vodafone Technology Solutions Limited ('VTSL')) <sup>(3)</sup>	Subsidiary	100.00	100.00
12	Vodafone Idea Shared Services Limited (Formerly known as Vodafone India Ventures Limited ('VIVL')) <sup>(3)</sup>	Subsidiary	100.00	100.00
13	Vodafone India Digital Limited ('VIDL') <sup>(3) and (4)</sup>	Subsidiary	-	100.00
14	You Broadband India Limited ('YBIL') <sup>(3)</sup>	Subsidiary	100.00	100.00
15	You System Integration Private Limited ('YSIPL') <sup>(3)</sup>	Subsidiary	100.00	100.00

<sup>(1)</sup> Merged with VIL effective from November 30, 2018 (refer note 43 (v))

<sup>(2)</sup> Ceased to exist from May 31, 2018

<sup>(3)</sup> Effective August 31, 2018, pursuant to amalgamation of VMPL and VInL with the Company (refer note 3(A))

<sup>(4)</sup> Merged with VIL effective from April 01, 2019 (refer note 43(vi))

The Financial Statements of the following associate and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Group and the accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group. All the entities are incorporated in India.

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			March 31, 2020	March 31, 2019
1	Indus Tower Limited (Indus)	Joint Venture <sup>(1)</sup>	11.15	11.15
2	Aditya Birla Idea Payments Bank Limited (ABIPBL) <sup>(3)</sup>	Associate	49.00	49.00
3	Firefly Networks Limited <sup>(2)</sup>	Joint Venture <sup>(1)</sup>	50.00	50.00

<sup>(1)</sup> by virtue of the joint venture agreement

<sup>(2)</sup> Effective August 31, 2018, pursuant to amalgamation of VMPL and VInL with the Company (refer note 3(A))

<sup>(3)</sup> Aditya Birla Idea Payment Bank Limited (ABIPBL), an associate of the Company has decided to wind up its business voluntarily (voluntary winding up) on July 19, 2019 subject to requisite regulatory approvals and consent. The Company is currently under liquidation (refer note 43(ii)).

## Notes forming part of the Consolidated Financial Statements

### 2(C) CHANGES IN OWNERSHIP INTERESTS

#### a) Subsidiaries

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

The subsidiaries are deconsolidated from the date the Group loses control on such subsidiaries. When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are reclassified to profit and loss on disposal of the related assets and liabilities.

#### b) Associates and Joint Arrangements

The Group ceases to equity account for an investment if it loses joint control or significant influence over such equity accounted investee. When the Group ceases to equity account for an investee, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest in the investee. In addition, any amounts previously recognised in other comprehensive income in respect of that investee are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit and loss where appropriate.

### 2(D) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

#### a) Ind AS 116 'Leases'

Ind AS 116 Leases which supersedes Ind AS 17 Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially

unchanged from Ind AS 17. Lessor will continue to classify leases as either operating or finance using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is a lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the practical expedient available on transition to grandfather the reassessment of whether a contract is, or contains a lease as at April 1, 2019. Accordingly, on initial application, the Group applied the standard only to contracts that were previously identified as leases. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

#### Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

#### Leases previously classified as operating leases

The Group recognised Right-of-Use (RoU) assets and lease liabilities for those leases previously classified as operating leases, except for leases of low-value assets. The RoU assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the RoU assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Excluded the initial direct costs from the measurement of the RoU asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease



## Notes forming part of the Consolidated Financial Statements

The effect of adopting Ind AS 116 as on the transition date is as follows:

### Impact on Consolidated Balance Sheet (Increase / (Decrease))

₹ Mn	
Particulars	April 1, 2019
<b>Assets</b>	
Right-of-Use assets (refer note 7)	245,927
Property, plant and equipment (refer note 7)	(5,148)
Other Intangible assets (refer note 9)	(18,586)
Deferred tax assets (net) (refer note 56)	17,677
Other current assets	(852)
<b>Total assets</b>	<b>239,018</b>
<b>Equity</b>	
Other equity (refer note 23)	(44,649)
<b>Total equity</b>	<b>(44,649)</b>
<b>Liabilities</b>	
Lease Liabilities (refer note 46)	284,335
Trade payables	(668)
<b>Total liabilities</b>	<b>283,667</b>

### Impact on Consolidated Statement of Profit and Loss (Increase / (Decrease))

₹ Mn	
Particulars	Year ended March 31, 2020
Network expenses and IT Outsourcing cost	(88,319)
Other Expenses	(2,683)
Depreciation	(1,632)
Amortisation	(2,060)
<b>Total Expenses before adoption of Ind AS 116</b>	<b>(94,694)</b>
Finance costs (refer note 41)	26,152
Depreciation (refer note 7)	64,312
Exceptional Items (net) (refer note 42)	(2,172)
<b>Total Expenses on adoption of Ind AS 116</b>	<b>88,292</b>
<b>Net Impact on Profit / (Loss) before tax on adoption of Ind AS 116</b>	<b>6,402</b>

While there is no impact on the overall cash flows, the operating cash flows reflect an increase of ₹ 65,940 Mn with a corresponding reduction in cash flows from financing activities for the year ended March 31, 2020.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is

primarily due to reduction on account of discounting of the lease liabilities as per the requirement of Ind AS 116, use of hindsight in determining the lease term where the contract contained options to extend or terminate the lease and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient and recognition exemptions as per the standard.

### b) Amendment to Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The amendment provides clarification on the uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit / (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initial application of Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The amendment is applicable from April 1, 2019 and has no impact on the consolidated financial statements.

### c) Amendment to Ind AS 12 'Income Tax'

The amendment clarifies that the income tax consequences of dividends including payments on financial instruments classified as equity, are linked more directly to past transactions or events that generated distributable profits rather than to distribution of such amounts to owners. Therefore, an entity shall recognise the income tax consequences of dividends in the Consolidated Statement of Profit and Loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment is applicable from April 1, 2019 and has no impact on the consolidated financial statements.

### d) Amendment to Ind AS 23 'Borrowing Costs'

The amendment clarifies that for computing general rate of borrowed funds, an entity should exclude specific borrowing for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remains outstanding after the related qualifying asset is ready for use or sale

## Notes forming part of the Consolidated Financial Statements

should subsequently be considered as part of general borrowing costs of the entity.

The amendment is applicable from April 1, 2019 and has no impact on the consolidated financial statements.

**e) Amendment to Ind AS 19 'Employee Benefits'**

The amendment clarifies that when a defined benefit plan is amended, curtailed or settled during a reporting period, the entity would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the period after the plan amendment, curtailment or settlement.

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendment is applicable from April 1, 2019 and has no impact on the consolidated financial statements.

**f) Amendment to Ind AS 109 'Financial Instruments'**

The amendment clarifies that an exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion i.e. the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' for financial asset or a debt instrument which:

- i. have a prepayment feature that results in negative compensation
- ii. apart from the prepayment feature other features of financial assets would have contractual cash flows which would meet the SPPI criteria and
- iii. the fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. (If it is impracticable to assess based on facts and circumstances that existed on initial recognition, then exception would not be available)

Such financial assets or debt instrument could be measured at amortised cost or at FVTOCI based on business model within which they are held.

The amendment is applicable from April 1, 2019 and has no impact on the consolidated financial statements.

**g) Amendment to Ind AS 103 'Business Combination'**

The amendment clarifies that, when a party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including re-measuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer re-measures its entire previously held interest in the joint operation.

The amendment is applicable from April 1, 2019 and has no impact on the consolidated financial statements.

**h) Amendments to Ind AS 28: 'Investments in Associates and Joint Ventures'**

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

The amendment is applicable from April 1, 2019 and has no impact on the consolidated financial statements.

**2(E) NEW ACCOUNTING PRONOUNCEMENTS TO BE ADOPTED ON OR AFTER APRIL 1, 2020.**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**3. AMALGAMATION OF VODAFONE MOBILE SERVICES LIMITED ('VMSL') AND VODAFONE INDIA LIMITED ('VINL') WITH THE COMPANY**

- (A)** During the previous year, VMSL, Transferor Company 1 and VINL, Transferor Company 2 (collectively referred to as "erstwhile Vodafone" or "Transferor Companies") who were in the business of providing telecommunication services under the respective licenses issued to them by the Department of Telecom (DoT), merged in to Idea Cellular Limited ('ICL'), the Transferee Company. These companies had filed a scheme of amalgamation which was approved by their respective shareholders, creditors, Securities and Exchange Board of India (SEBI), Stock Exchanges, Competition Commission of India, Department of Telecommunications (DoT), Foreign Investment Promotion Board, Reserve Bank of India (RBI), NCLT and other required authorities / third parties and became effective on August 31, 2018, the date on which the scheme along with all approvals, (including final NCLT approval) were filed with the Registrar of Companies (RoC) at Ahmedabad. Upon the scheme becoming effective the Transferor Companies stood dissolved without being wound-up.

This resulted in formation of a joint venture between the promotor groups i.e. Vodafone Group and Aditya Birla Group and change of name of the Company from ICL to Vodafone Idea Limited (VIL). The Vodafone Group and Aditya Birla Group owns 45.1% and 26.0% in the combined Company, respectively, and the balance 28.9% was owned by other shareholders as on August 31, 2018.

In compliance with the scheme, on merger of Transferor Company 1 with the Transferee Company, 3,893,927,522 equity shares of VIL were issued to Transferor Company 2 being the 100% shareholder of Transferor Company 1. Immediately thereafter, on merger of Transferor Company 2 with the Transferee Company, these shares were cancelled and 4,375,199,464 equity shares were issued afresh to shareholders of VINL. The stamp duty paid on such issue amounting to ₹ 83 Mn was debited to Securities Premium Account.

As per Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, the Company had an option to either

## Notes forming part of the Consolidated Financial Statements

recognise contribution of business from the joint ventures using 'Pooling of interest' method or adopt the 'fair value' method. The Company adopted 'Pooling of interest' method. Accordingly, all the assets, liabilities and reserves of Transferor companies were recorded at their carrying amounts and in the form in which they appeared in the financial statements as at the date of merger of the respective Transferor Companies.

On the scheme becoming effective, the Company had consolidated line by line the assets, liabilities and components of Other Equity of each of the Transferor Companies after eliminating the inter-company transactions between these entities and adjustments with respect to alignment of accounting policies and practices through retained earnings.

The carrying values of each component of Other Equity of the Transferor companies which merged into the Company are as under:

Particulars	Capital reserve	Capital reduction reserve	Securities premium	Amalgamation adjustment deficit account <sup>(1)</sup>	General reserve	Retained earnings	Total
Reserve of Transferor Companies and its subsidiaries	165	277,787	842,139	-	1,393	(139,828)	981,656
Alignment of accounting policies and practices	-	-	-	-	-	17,804	17,804
Investment of Transferor Company 2 into Transferor Company 1	-	-	-	(477,723)	-	-	(477,723)
Difference between share capital of Transferor Companies and share capital issued by Transferee Company	-	-	-	(10,685)	-	-	(10,685)
<b>Total</b>	<b>165</b>	<b>277,787</b>	<b>842,139</b>	<b>(488,408)</b>	<b>1,393</b>	<b>(122,024)</b>	<b>511,052</b>

<sup>(1)</sup> On amalgamation, the effect of cancellation of investment of Transferor Company 2 into Transferor Company 1 of ₹ 477,723 Mn, and difference between share capital of Transferor Companies of ₹ 33,067 Mn and shares issued by the Company of ₹ 43,752 Mn to the shareholders of the Transferor Companies have resulted into creation of the amalgamation adjustment deficit account being debit balance in accordance with the guidance given under education material on Ind-AS 103 issued by The Institute of Chartered Accountants of India.

(B) The Implementation Agreement entered between the parties defined a settlement mechanism between the Company and the promoters of erstwhile VInL for any cash inflow/outflow that could possibly arise from the settlement of certain outstanding disputes pertaining to the period until May 31, 2018. Accordingly, the Company had recorded a net settlement liability of ₹ 83,923 Mn as of March 31, 2019, of which ₹ 85,015 Mn was recorded through capital reserve, on merger. The liability was disclosed as other non-current financial liability as at March 31, 2019. During the year, pursuant to the Hon'ble Supreme Court's Judgment on the definition of AGR (refer note 4(A)), the Company has recognised settlement assets resulting in the net liability position shifting to a net settlement asset amounting to ₹ 83,687 Mn, being the amount capped for such settlements and disclosed as Current and Non-Current Financial Assets as applicable. The settlement of this asset / (liability) as the case may be would happen periodically as defined in the Agreement starting from June 2020 but not beyond June 2025. In the event such disputed matters do not finally result in cash inflows/outflows within the defined period, there would be no settlement to/from the erstwhile VInL promoters by/to the Company. The settlement between the Company and VInL promoters for any cash outflow that could possibly arise shall be subject to RBI approval, if any, which would be evaluated/obtained at the time of actual settlement if any to VInL promoters.

4(A) The Hon'ble Supreme Court on October 24, 2019 delivered its judgement ('AGR judgment') on cross appeals against the Hon'ble TDSAT judgment dated April 23, 2015, wherein it has held that the definition of Gross Revenue under Clause 19 of the UASL is

all encompassing and comprehensive. Hon'ble Supreme Court has further held that the Gross Revenue definition shall prevail over the Accounting Standards and is binding on the parties to the contract / License Agreement. The Hon'ble Supreme Court has then dealt with different heads of revenue / inflow and has held that these will fall within the definition of Adjusted Gross Revenue (AGR). The order upheld the principal demand, levy of interest, penalty and interest on penalty. Further, the Hon'ble Supreme Court directed vide the supplementary order of the same date, the payment of the entire AGR dues to be made within 3 months from the date of the order.

A Review Petition filed by the Company and some of the telecom operators against the above AGR Judgement was dismissed on January 16, 2020. Thereafter, the Company filed an application for modification of the Supplementary Order before the Hon'ble Supreme Court of India on January 20, 2020, seeking permission to submit an application to Department of Telecom ('DoT') to decide upon the schedule of payments of AGR dues.

The matter came up for hearing on February 14, 2020 when the Hon'ble Supreme Court issued notices to the Managing Director / Directors of all Telecom Service Providers (TSPs) in view of the non-payment of AGR dues pursuant to the AGR Judgement. The Company has filed a detailed affidavit placing on record the financial position of the Company as also a detailed reply to place on record as to why the Company was unable to make the payments.

On March 16, 2020 DoT also filed a modification application with the Hon'ble Supreme Court to allow reasonable time to the TSPs, considering staggered payments with interest to duly

## Notes forming part of the Consolidated Financial Statements

protect the net present value and to cease the current applicable interest after a particular date. Subsequently, on March 18, 2020, the Hon'ble Supreme Court heard the matters and inter alia ordered that no exercise of self-assessment / re-assessment is to be done and the AGR dues which were placed before the Hon'ble Supreme Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court stated that the DoT's modification application would be considered on the next date of hearing.

On June 11, 2020, the modification application filed by DoT came up for hearing. The Hon'ble Supreme Court directed the TSPs to file their proposals, within 5 days, as to the time frame required by the TSPs to make the payment and what kind of securities, undertakings and guarantees should be furnished to ensure that the AGR dues are paid. On June 16, 2020, the Company filed an affidavit before the Hon'ble Supreme Court inter alia supporting the DoT's proposal that 20 years' timeframe be granted to make the payments of AGR dues. On June 18, 2020, Hon'ble Supreme Court inter alia considered the affidavit filed by the Company and other TSPs and directed all the TSPs to: (i) file audited Balance Sheets for the last 10 years including for the year ending March 31, 2020; (ii) Income Tax Returns and the particulars of AGR deposited during the last 10 years; and (iii) to make payments of reasonable amount also to show bonafide, before the next date of hearing. The Company has already made payments of ₹ 68,544 Mn in three installment during the quarter ended March 31, 2020 towards AGR dues. The matter was directed to be listed in the 3rd week of July 2020.

The DoT in its modification application has provided a statement of preliminary assessed AGR dues for an amount of ₹ 582,540 Mn including the principal, interest, penalty and interest on penalty up to FY 2016-17. The Company has recognized a total estimated liability of ₹ 460,000 Mn as at March 31, 2020. This is based on the DoT demands (mainly up to the periods ending March 31, 2017 and some beyond) after adjustment for certain computational errors and payments made in the past not considered in DoT demands and estimates made by the Company for the periods thereafter for which demands have not been received together with interest, penalty and interest on penalty all taken for periods up to March 31, 2020. The total estimated liability is offset by consequential adjustments on satisfaction of contractual conditions under a mechanism as per the Implementation Agreement dated March 20, 2017 entered on merger of erstwhile Vodafone and ICL in relation to the crystallization of certain contingent liabilities which existed at the time of merger in the books (refer note 3B). Accordingly, the net impact of these effects amounting to ₹ 275,143 Mn has been recognized as Exceptional items during the year. The total estimated liability of ₹ 460,000 Mn stands reduced as at March 31, 2020 to the extent of payment ₹ 68,544 Mn made as mentioned above.

- (B) As at March 31, 2020, the Company has classified ₹ 142,757 Mn (includes ₹ 95,972 Mn reclassified as at March 31, 2019) from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at March 31, 2020 (refer note 24(b)). The Company had exchanged

correspondences/been in discussions with these lenders for the next steps/waivers. During the year, the credit rating of certain borrowings have been revised to BB-. As a result, certain lenders have asked for increase of interest rates, for which the Company is in discussion with such lenders. Further, guarantees amounting to ₹ 128,448 Mn are due to expire during the next twelve months.

The above factors indicate that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due. The Company's ability to continue as a going concern is essentially dependent on a positive outcome of the application before the Hon'ble Supreme Court for the payment in installment and successful negotiations with lenders. Pending the outcome of the above matters, these financial statements have been prepared on a going concern basis.

### 5. SIGNIFICANT ACCOUNTING POLICIES

#### a) Revenue from contracts with customers

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

#### i. Revenue from supply of services and sale of goods

Revenue on account of telephony services (post-paid and prepaid categories, roaming, interconnect and long distance services) is recognised on rendering of services. Fixed Revenues in the post-paid category are recognised over the period of rendering of services. Processing fees on recharge vouchers in case of prepaid category is recognised over the validity of such vouchers.

Revenue from other services (internet services, mobile advertisement, revenue from toll free services, etc.) is recognised on rendering of services. Revenue from sale of handsets, data cards and related accessories is recognised when control of the asset is transferred to the customer, generally on delivery of the equipment. Revenue from passive infrastructure is recognised on rendering of services.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration



## Notes forming part of the Consolidated Financial Statements

to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Multiple element contracts:

Bundle packages that include multiple elements, at the inception of the arrangement, the Group determines whether it is necessary to separate the separately identifiable elements and apply the corresponding revenue recognition policy to each elements. Total package revenue is allocated among the identified elements based on their relative standalone price.

### ii. Unbilled income

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

### iii. Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 5(r) Financial instruments – initial recognition and subsequent measurement.

### iv. Advance from customer and deferred revenue

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

### v. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### vi. Dividends

Dividend income is recognised when the Group's right to receive the payment is established.

### vii. Cost to obtain a contract

The Group pays sales commission to its channel partners for each contract that they obtain. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

## b) Leases

### Leases accounted under Ind AS 116 w.e.f. April 1, 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### i. Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Company's lease asset classes primarily consist of leases for passive infrastructure for cell sites and immovable properties.

#### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment (refer note 5 (m)).

#### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

## Notes forming part of the Consolidated Financial Statements

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification i.e. a change in the lease term or a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The re-measurement of lease liability is done by discounting the revised lease payments using the Group's incremental borrowing rate at the effective date of modification.

### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### ii. Group as a lessor

Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

The Group enters into agreements which entitle its customers the right to use of specified capacity of dark fibre / bandwidth capacity for a specific period of time. Under such arrangements, the rights to use the specified assets are given for a substantial part of the estimated useful life of such assets. The contracted price received upfront in advance is treated as deferred revenue and is recognised on a straight line basis over the agreement period.

### Leases accounted under Ind AS 17 upto March 31, 2019

The Group evaluates whether an arrangement is (or contains) a lease based on the substance of the arrangement at the inception of the lease. An arrangement which is dependent on the use of a specific asset or assets and conveys a right to use the asset or

assets, even if it is not explicitly specified in an arrangement is (or contains) a lease.

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### i. Group as a lessee

Finance lease:

Assets held under finance leases are initially recognised as assets at the commencement of the lease at their fair value or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance costs and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Such assets are depreciated / amortised over the period of lease or estimated useful life of the assets whichever is less. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease:

Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Contingent rentals arising, if any, under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### ii. Group as a lessor

Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

The Group enters into agreements which entitle its customers



## Notes forming part of the Consolidated Financial Statements

the right to use of specified capacity of dark fibre / bandwidth capacity for a specific period of time. Under such arrangements, the rights to use the specified assets are given for a substantial part of the estimated useful life of such assets. The contracted price received upfront in advance is treated as deferred revenue and is recognised on a straight line basis over the agreement period.

### c) Employee benefits

#### i. Defined Contribution Plan

Contributions to Provident and other funds are funded with the appropriate authorities and charged to the Consolidated Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

Contributions to Superannuation fund are funded with the Life Insurance Corporation of India and charged to the Consolidated Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

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

#### ii. Defined Benefit Plan

The Group has a defined benefit gratuity plan which is a combination of funded plan and unfunded plan. In case of funded plan, the Group makes contribution to a separately administered fund with the Life Insurance Corporation of India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimation of the payments. Any deficit in plan assets managed by LIC as compared to the liability based on an independent actuarial valuation is recognised as a liability. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance Sheet with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Consolidated Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs; and
- Net interest expense or income

#### iii. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages, Long Term Incentive Plan (LTIP)

and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date. The related re-measurements are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

#### iv. Share-based payments

Equity-settled share-based payments to employees for options granted by the Group to its employees are measured at the fair value of the equity instruments at the grant date.

Stock option of Vodafone Group Plc (VGPLC) granted to the employees of the Group are accounted as cash-settled share based payments by the Group.

The fair value determined at the grant date of the equity settled share-based payments is expensed over the period in which the performance or service conditions are fulfilled, based on the Group's estimate of stock options that will eventually vest, with a corresponding increase in equity. The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve or liability as applicable.

In respect of cancellation of unvested stock options, the amount already charged as share based payment expense is reversed under the same head in the Consolidated Statement of Profit and Loss.

In respect of modification such as re-pricing of existing stock option, the difference in fair value of the option on the date of re-pricing is accounted for as share based payment expense over the remaining vesting period.

#### d) Annual Revenue Share License Fees – and Spectrum Usage Charges

The variable license fees and annual spectrum usage charges, computed basis of adjusted gross revenue, are charged to the Consolidated Statement of Profit and Loss in the period in which the related revenue arises as per the license agreement of the licensed service area at prescribed rate.

#### e) Foreign currency transactions

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

Transactions in foreign currencies are initially recorded at the INR spot rate on the date the transaction first qualifies for recognition.

## Notes forming part of the Consolidated Financial Statements

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised on net basis within finance cost in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

### f) Exceptional items

Items of income or expense which are non-recurring or outside of the ordinary course of business and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group are disclosed as Exceptional items in the Consolidated Statement of Profit and Loss.

### g) Taxes

Income tax expense represents the sum of current tax and deferred tax.

#### i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

#### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent

it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation statute.

### h) Current / Non – Current Classification

An asset is classified as current when

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

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

A liability is classified as current when

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

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

### i) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods, or for administrative purposes, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment, non-refundable duties and borrowing cost relating to qualifying assets. In line with the transitional provisions, exchange differences on long

## Notes forming part of the Consolidated Financial Statements

term foreign currency borrowings taken on or before March 31, 2016 are continued to be capitalized under PPE. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold Land is not depreciated. Depreciation on all other assets under PPE commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.

Asset Retirement Obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. ARO is measured based on present value of expected cost to settle the obligation.

Particulars	Estimated useful life (in years)
Buildings	25 to 30
Leasehold Improvements	Period of lease or 10 years whichever is lower
Network Equipments	7 to 9
Optical Fibre	15
Other Plant and Equipment	2 to 5
Office Equipments	3 to 5
Computers and servers	3 to 5
Furniture and Fixtures	5 to 10
Motor Vehicles	2 to 5
RoU Assets	
- Land & Building	Over the period of Lease
- Cell Sites	Over the period of Lease
- Bandwidth (IRU)	Over the period of agreement
- Others	3 to 5

An item of property, plant and equipment and any significant part which meets the criteria for asset held for sale will be reclassified from property, plant and equipment to asset held for sale. When any significant part of property, plant and equipment is discarded or replaced, the carrying value of discarded / replaced part is derecognized. Any gains or losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying

amount of the asset and are recognized in the Consolidated Statement of Profit and Loss on the date of retirement or disposal.

### j) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are measured initially at their cost including transaction cost. Investment properties are subsequently measured at historical cost less accumulated depreciation and impairment loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Consolidated Statement of Profit and Loss in the period of derecognition.

Depreciation is charged so as to write off the cost of investment properties using the straight-line method, over the leasehold period or estimated useful lives, whichever is lower.

### k) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period, residual value and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on straight line method as under:

- Cost of spectrum is amortised on straight line method from

## Notes forming part of the Consolidated Financial Statements

the date when the related network is ready for intended use over the unexpired period of the spectrum.

- Cost of licenses is amortised on straight line method from the date of launch of circle/ renewal of license over the unexpired period of the license.
- Software, which is not an integral part of hardware, is treated as an intangible asset and is amortised over its useful economic life as estimated by the management between 3 to 5 years.
- Bandwidth capacities acquired under Indefeasible Right to Use (IRU) basis is accounted for as intangible assets and amortised over the period of the agreement till March 31, 2019. From April 1, 2019 these assets are reclassified to RoU assets on adoption of Ind AS 116.
- Brand - Separately acquired brand is shown at historical cost. Subsequently brand is carried at cost less accumulated amortisation and impairment loss, if any. The Group amortises brand using the straight line method over the estimated useful life of 15 years.

Cost of Intangible assets under development represents cost of intangible assets not ready for intended use as on the reporting date. It includes the amount of spectrum allotted to the Group and related borrowing costs (that are directly attributable to the acquisition or construction of qualifying assets) if any, for which network is not yet ready.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

### l) Non – Current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and its sale is highly probable. The sale is considered highly probable only when the asset or disposal groups is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and the sale is expected to be completed within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Consolidated Balance Sheet.

Non-current assets that ceases to be classified as held for sale are measured at lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

### m) Impairment of Non – Financial Assets

Tangible (including RoU Assets) and Intangible assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount

of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

For assets excluding goodwill, impairment losses recognized in the earlier periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the Group estimates the asset's (or cash generating unit's) recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

### n) Investment in Associates and Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates are all entities over which the Group has significant influence but not control or joint control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee.

Investments in joint ventures and associates are initially recognised at cost and subsequently accounted for using the equity method of accounting in the consolidated financial statements of the Group as per Ind AS 28 – Investments in Associates and Joint ventures.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable



## Notes forming part of the Consolidated Financial Statements

from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investee equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investee. If the equity-accounted investee subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of profits equals the share of losses not recognised.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The entire carrying amount of the investment (including goodwill) is tested for impairment if there is objective evidence indicating impairment. Impairment is tested in accordance with Ind AS 36 – Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount. Any reversal of the impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

### o) Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the finance costs.

### p) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### q) Cash and cash equivalents

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

above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## r) Financial Instruments

### Initial recognition and measurement

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

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

### i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases 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)
- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Group does not have any assets classified as FVTOCI.

### l. 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.

## Notes forming part of the Consolidated Financial Statements

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

### II. Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

#### Derecognition

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

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

#### Impairment of financial assets

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

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

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract

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

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

For the purpose of measuring the expected credit loss for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively depending on their significance. Individual trade receivables are written off when management deems them not to be collectible on assessment of facts and circumstances (refer note 15).

### ii. Financial liabilities

#### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

#### a) Financial liabilities measured at amortised cost

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

#### b) Financial liabilities measured at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.



## Notes forming part of the Consolidated 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 Consolidated Statement of Profit and Loss.

### iii. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to manage its foreign currency risks and interest rate risks, respectively. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency and interest exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss.

### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative instrument. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with

changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

### iv. Offsetting financial instruments

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

### s) Fair value measurement

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

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

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

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

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

### t) Dividend distribution to equity holders

Dividends paid / payable along with applicable taxes are recognised when it is approved by the shareholders. In case of interim dividend, it is recognised when it is approved by the Board of Directors and distribution is no longer at the discretion of the Company. A corresponding amount is accordingly recognised directly in equity.

### u) Earnings per share

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

## Notes forming part of the Consolidated Financial Statements

shareholders of the Company by the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

### v) Onerous Contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

### w) Provisions and Contingent Liabilities

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

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

#### i. Asset Retirement Obligation (ARO)

ARO is provided for those lease arrangements where the Group has a binding obligation to restore the said location / premises at the end of the period in a condition similar to inception of the arrangement. The restoration and decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Consolidated Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

#### ii. Contingent Liabilities

A Contingent Liability is disclosed where there is a possible

obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are not recognised.

### x) Business Combinations

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Acquisition related costs are recognized in the Consolidated Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their respective fair value at the acquisition date, except certain assets and liabilities required to be measured as per applicable standards.

Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration, after reassessment of fair value of net assets acquired, is recognised as capital reserve.

Business Combinations arising from transfer of interests in entities that are under common control and entities which results in formation of joint ventures, where one of the combining entities does not obtain control of the other combining entity or entities, accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

### 6. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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

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

## Notes forming part of the Consolidated Financial Statements

### Estimates and Assumptions

#### i. Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using Black & Scholes model to determine the fair value of the liability incurred. Share issued by Vodafone Group Plc., is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 53.

#### ii. Taxes

The respective companies provide for tax considering the applicable tax regulations and based on reasonable estimates.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

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

Minimum alternative tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the respective companies will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss and is included in Deferred Tax Assets. The respective companies review the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that respective companies will be able to absorb such credit during the specified period. For further details about taxes refer note 55 and 56.

#### iii. Defined benefit plans (gratuity and compensated absences benefits)

The Group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 54(A).

#### iv. Allowance for Trade receivable

For the purpose of measuring the expected credit loss for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively depending on their significance. Individual trade receivables are written off when management deems them not to be collectible on assessment of facts and circumstances (refer note 15).

#### v. Useful life of Property, Plant and Equipment

The useful life to depreciate property, plant and equipment is based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset, and manufacturers' warranties, maintenance and support period, etc. The charge for the depreciation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in note 7.

#### vi. Impairment of Non-financial assets

Non-financial assets i.e. Property, Plant and Equipment (including CWIP), RoU and Intangible assets (including

## Notes forming part of the Consolidated Financial Statements

Intangible assets under development) 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). The recoverable amount is the fair value less costs of disposal calculated based on available information and sensitive to the discount rate, valuation techniques, expected future cash inflows and the growth rate. Refer note 62.

### vii. Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain specific estimates such as Group's credit rating.

### viii. Leases - Estimate of lease period

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

### ix. Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Evaluations of uncertain provisions and contingent liabilities and assets requires judgement and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts. Refer note 45 for further details about Contingent liabilities.

### x. Impact of COVID-19 (Global pandemic)

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The Ministry of Home Affairs vide order No.40-3/2020 dated March 24, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While in the initial period of lockdown, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted, the services to our customers continued without any material disruption. As on the date of these financial statements, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	Freehold land	Leasehold Land	Buildings	Leasehold Improvement	Plant and machinery <sup>(5)</sup>	Furniture and fixtures	Office equipments	Vehicles	RoU Assets (refer note 46)	Total
<b>7 PROPERTY, PLANT AND EQUIPMENT (INCLUDING ROU ASSETS)</b>										
<b>Cost</b>										
As at April 1, 2018	119	-	860	224	382,337	962	996	1,803	-	387,301
Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3(A))	66	604	4,197	1,366	450,407	1,010	1,452	25	-	459,127
Additions	-	-	32	14	67,426	3	76	149	-	67,700
Disposals/Adjustments	-	-	(3)	(318)	(9,267)	(199)	(98)	(355)	-	(10,240)
Transferred to AHFS (refer note 43(iii))	-	-	-	-	(637)	-	-	-	-	(637)
As at March 31, 2019	185	604	5,086	1,286	890,266	1,776	2,426	1,622	-	903,251
Transition impact of Ind AS 116 (refer note 2(D)(a))	-	-	-	-	-	-	-	-	221,413	221,413
Reclassification on adoption of Ind AS 116 (refer note 2(D)(a))	-	(604)	-	-	(19,115)	-	-	-	45,457	25,738
<b>Restated balance as at April 1, 2019</b>	<b>185</b>	<b>-</b>	<b>5,086</b>	<b>1,286</b>	<b>871,151</b>	<b>1,776</b>	<b>2,426</b>	<b>1,622</b>	<b>266,870</b>	<b>1,150,402</b>
Additions	4	-	64	7	106,328	20	36	3	33,498	139,960
Disposals/Adjustments	-	-	(29)	(13)	(30,346)	(79)	(144)	(237)	(12,062)	(42,910)
Transferred from AHFS (refer note 43(iii))	-	-	-	-	637	-	-	-	-	637
As at March 31, 2020	189	-	5,121	1,280	947,770	1,717	2,318	1,388	288,306	1,248,089
<b>Accumulated Depreciation</b>										
As at April 1, 2018	-	-	172	93	140,864	340	533	750	-	142,752
Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3(A))	-	26	216	969	181,548	752	947	12	-	184,470
Depreciation charge for the year	-	5	154	118	76,707	304	342	347	-	77,977
Disposals/Adjustments <sup>(4)</sup>	-	-	-	(235)	(3,620)	(126)	(79)	(177)	-	(4,237)
Transferred to AHFS (refer note 43(iii))	-	-	-	-	(237)	-	-	-	-	(237)
As at March 31, 2019	-	31	542	945	395,262	1,270	1,743	932	-	400,725
Reclassification on adoption of Ind AS 116 (refer note 2(D)(a))	-	(31)	-	-	(14,540)	-	-	-	20,943	6,372
<b>Restated balance as at April 1, 2019</b>	<b>-</b>	<b>-</b>	<b>542</b>	<b>945</b>	<b>380,722</b>	<b>1,270</b>	<b>1,743</b>	<b>932</b>	<b>20,943</b>	<b>407,097</b>
Depreciation charge for the year	-	-	200	69	86,715	224	310	238	64,312	152,068
Disposals/Adjustments <sup>(4)</sup>	-	-	(13)	(4)	26,544	(51)	(63)	(155)	(688)	25,570
Transferred from AHFS (refer note 43(iii))	-	-	-	-	241	-	-	-	-	241
As at March 31, 2020	-	-	729	1,010	494,222	1,443	1,990	1,015	84,567	584,976
<b>Net Book Value</b>										
As at March 31, 2020	189	-	4,392	270	453,548	274	328	373	203,739	663,113
As at March 31, 2019	185	573	4,544	341	495,004	506	683	690	-	502,526

**Footnotes:**

- As at March 31, 2019, plant and machinery includes gross block of assets capitalised under finance lease ₹ 19,115 Mn and corresponding accumulated depreciation being ₹ 14,540 Mn. Additions in plant and machinery includes gross block of assets capitalised under finance lease ₹ 2,119 Mn and corresponding accumulated depreciation being ₹ 204 Mn for the year ended March 31, 2019. As at April 1, 2019, these assets were reclassified to RoU assets on adoption of Ind AS 116.
- Refer note 24(a) for assets pledged as securities towards borrowings and non-funded facilities.
- Net foreign exchange loss amounting to ₹ Nil capitalised during the year (March 31, 2019: ₹ 397 Mn capitalised).
- Disposals / Adjustments include accelerated depreciation charge of ₹ 59,743 Mn (March 31, 2019 : ₹ 5,511 Mn) on account of network re-alignment and integration cost and disclosed under exceptional items (refer note 42).
- Plant & Machinery and CWIP includes certain assets acquired on extended credit terms for which the title will be transferred to the Company upon final payment to the equipment suppliers as per the contract terms. Gross Block, Net Block and CWIP of such assets as on March 31, 2020 is ₹ 44,597 Mn, ₹ 41,650 Mn and ₹ 2,603 Mn respectively.
- Capital work-in-progress as on March 31, 2020 is ₹ 10,415 Mn (March 31, 2019: ₹ 23,587 Mn).



## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars		As at March 31, 2020	As at March 31, 2019
8	<b>INVESTMENT PROPERTY</b>		
	<b>Leasehold Land</b>		
	<b>Cost</b>		
	Opening balance	720	-
	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	720
	<b>Closing balance</b>	<b>720</b>	<b>720</b>
	<b>Accumulated depreciation</b>		
	Opening Balance	48	-
	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	41
	Depreciation charge for the year	12	7
	<b>Closing balance</b>	<b>60</b>	<b>48</b>
	<b>Net book value</b>	<b>660</b>	<b>672</b>

The remaining lease term for Leasehold land is 54 years (March 31, 2019: 55 years). Fair value of investment property has been determined based on comparable market value of similar property. The fair value of the investment property is ₹ 1,080 Mn (March 31, 2019 : ₹ 988 Mn).

Refer Note 60(v) Fair Value Hierarchy for fair value disclosures of Investment Property.

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	Entry / license fees and spectrum	Brand	Computer - Software	Bandwidth	Total
<b>9 OTHER INTANGIBLE ASSETS</b>					
<b>Cost</b>					
<b>As at April 1, 2018</b>	<b>607,993</b>	<b>-</b>	<b>5,159</b>	<b>14,455</b>	<b>627,607</b>
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A)) <sup>(5)</sup>	709,704	26,222	11,971	8,716	756,613
Additions	144,599	-	2,066	1,856	148,521
Disposals/Adjustments	-	-	(54)	(69)	(123)
Transferred to AHFS (refer note 43(iii))	-	-	(177)	-	(177)
<b>As at March 31, 2019</b>	<b>1,462,296</b>	<b>26,222</b>	<b>18,965</b>	<b>24,958</b>	<b>1,532,441</b>
Re-class due to Ind AS 116 (refer note 2(D)(a))	-	-	-	(24,958)	(24,958)
<b>Restated balance as at April 1, 2019</b>	<b>1,462,296</b>	<b>26,222</b>	<b>18,965</b>	<b>-</b>	<b>1,507,483</b>
Additions <sup>(7)</sup>	66,599	-	2,181	-	68,780
Disposals/Adjustments	(100)	-	(15)	-	(115)
Transferred from AHFS (refer note 43(iii))	-	-	177	-	177
<b>As at March 31, 2020</b>	<b>1,528,795</b>	<b>26,222</b>	<b>21,308</b>	<b>-</b>	<b>1,576,325</b>
<b>Accumulated Amortisation</b>					
<b>As at April 1, 2018</b>	<b>69,616</b>	<b>-</b>	<b>3,243</b>	<b>2,439</b>	<b>75,298</b>
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	105,606	311	6,835	2,471	115,223
Amortisation charge for the year	61,933	1,061	2,895	1,483	67,372
Disposals/Adjustments	-	-	(26)	(21)	(47)
Transferred to AHFS (refer note 43(iii))	-	-	(172)	-	(172)
<b>As at March 31, 2019</b>	<b>237,155</b>	<b>1,372</b>	<b>12,775</b>	<b>6,372</b>	<b>257,674</b>
Re-class due to Ind AS 116 (refer note 2(D)(a))	-	-	-	(6,372)	(6,372)
<b>Restated balance as at April 1, 2019</b>	<b>237,155</b>	<b>1,372</b>	<b>12,775</b>	<b>-</b>	<b>251,302</b>
Amortisation charge for the year	86,030	1,822	3,632	-	91,484
Disposals/Adjustments <sup>(7)</sup>	38,771	-	7	-	38,778
Transferred from AHFS (refer note 43(iii))	-	-	169	-	169
<b>As at March 31, 2020</b>	<b>361,956</b>	<b>3,194</b>	<b>16,583</b>	<b>-</b>	<b>381,733</b>
<b>Net Book Value</b>					
<b>As at March 31, 2020</b>	<b>1,166,839</b>	<b>23,028</b>	<b>4,725</b>	<b>-</b>	<b>1,194,592</b>
<b>As at March 31, 2019</b>	<b>1,225,141</b>	<b>24,850</b>	<b>6,190</b>	<b>18,586</b>	<b>1,274,767</b>

**Footnotes:**

- Computer - software includes gross block of assets capitalised under finance lease ₹ 5,507 Mn (March 31, 2019: ₹ 5,507 Mn) and corresponding accumulated amortisation being ₹ 5,105 Mn (March 31, 2019 : ₹ 4,394 Mn). Additions in computer - software includes gross block of assets capitalised under finance lease ₹ Nil (March 31, 2019: ₹ 677 Mn) and corresponding accumulated amortization being ₹ Nil (March 31, 2019: ₹ 181 Mn).
- Interest amounting to ₹ Nil (March 31, 2019 : ₹ 2,548 Mn) has been capitalised during the year.
- Entry / license fee and spectrum gross block ₹ 46,583 Mn and Net block ₹ 28,545 Mn range from 1.5 years to 7.4 years and Entry / license fee and spectrum gross block ₹ 1,482,212 Mn and Net block ₹ 1,138,294 Mn range from 10 years to 18.5 years (March 31, 2019 : gross block ₹ 46,283 Mn and Net block ₹ 38,261 Mn range from 2.5 years to 8.4 years and Entry / license fee and spectrum gross block ₹ 1,416,013 Mn and Net block ₹ 1,186,880 Mn range from 11 years to 19.1 years).
- Refer note 24(a) for computer software pledged as securities towards funded and non-funded facilities.
- Brand includes ₹ 25,945 Mn paid by VMSL and VInL on July 20, 2018 for using Vodafone brand in accordance of the terms of agreement for the period of 15 years.
- Intangible Assets under development as at March 31, 2020 is ₹ 966 Mn (March 31, 2019: ₹ 27,443 Mn), amount added during the year ₹ 42,303 Mn (including interest of ₹ Nil), and amount capitalized during the year of ₹ 68,780 Mn (including interest of ₹ 3,695 Mn). As of March 31, 2020 intangible assets under development include interest amounting to ₹ Nil (March 31, 2019 : ₹ 3,695 Mn).
- Include ₹ 38,871 Mn (March 31, 2019 : ₹ Nil) on account of One Time Spectrum Charges (refer note 43(viii)).

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
<b>Investment (Unquoted)</b>		
<b>Investments in Equity Instruments of Associate</b>		
Aditya Birla Idea Payments Bank Limited (ABIPBL) 278,793,750 (March 31, 2019 : 278,793,750) fully paid equity shares of ₹ 10 each	2,788	2,788
Add: Group's share of loss of ABIPBL	(1,192)	(1,069)
Less: Impairment Provision (refer note 43(ii))	(1,596)	-
<b>Total investment in associate (A)</b>	-	1,719
<b>Investments in Equity Instruments of Joint Ventures</b>		
(i) Indus Towers Limited ('Indus') <sup>(1)</sup> 132,868 (March 31, 2019: 132,868) fully paid equity shares of ₹ 1 each (refer note 43 (iv))	.*	.*
Add: Group's share of Profit / Reserves of Indus	15,217	13,562
<b>Total</b>	15,217	13,562
(ii) Firefly Networks Limited ('FNL') <sup>(2)</sup> 1,000,000 fully paid equity shares of ₹ 10 each	10	10
Add: Group's share of profit of FNL	17	7
<b>Total</b>	27	17
<b>Total investment in joint ventures (B)</b>	15,244	13,579
<b>Total (A+B)</b>	15,244	15,298

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

<sup>(1)</sup> Subsequent to the balance sheet date, on May 26, 2020, the Company has pledged 132,868 equity shares of Indus held by the Company as security against certain non-fund based facilities in the nature of bank guarantees of ₹ 19,350 Mn with an option to get the pledge released by providing alternate security. Such pledge is executed by the Company as first ranking exclusive charge in favour of Security trustee for the benefit of the lender and its successor.

As at March 31, 2019, the Company has pledged 43,376 equity shares of Indus held by the Company as security against the short term loan of ₹ 30,318 Mn. Such pledge is executed by the Company as first ranking exclusive charge in favour of Security trustee for the benefit of the lender and its successor. Subsequent to the balance sheet date, such pledge has been released following the repayment of the short term loan on May 8, 2019.

<sup>(2)</sup> Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A)).

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>11 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Deposits with body corporate and others (includes amount referred to in Note 58)		
- Considered Good	8,123	8,052
- Considered Doubtful	233	233
Deposits and balances with government authorities <sup>(1)</sup>	7,540	998
Derivative assets at fair value through profit or loss	131	80
Margin money deposits	2,638	8
Settlement Asset (refer note 3(B))	62,801	-
Other receivable from joint venture (Indus) (refer note 58)	1,224	1,224
	82,690	10,595
Allowance for doubtful advances (refer note 50)	(233)	(233)
<b>Total</b>	82,457	10,362

<sup>(1)</sup> Includes amount with DoT amounting to ₹ 6,545 Mn (March 31, 2019 ₹ Nil)

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>12 OTHER NON-CURRENT ASSETS</b>		
Capital advances		
- Considered Good	117	307
- Considered Doubtful	3	4
Prepaid expenses	840	2,061
Advance income tax (Net)	70,883	94,044
GST recoverable		
- Considered Good	4,509	2
- Considered Doubtful	58	58
Others (consisting mainly deposit against demands which are appealed against / subjudice)		
- Considered Good	58,517	58,685
- Considered Doubtful	1,444	1,439
	136,371	156,600
Allowance for doubtful advances (refer note 50)	(1,505)	(1,501)
<b>Total</b>	<b>134,866</b>	<b>155,099</b>
<b>13 INVENTORIES</b>		
Trading Goods	25	42
<b>Total</b>	<b>25</b>	<b>42</b>
<b>14 Current Investments</b>		
Investment in units of liquid mutual funds (quoted) (refer note 48)	4,548	67,088
<b>Total</b>	<b>4,548</b>	<b>67,088</b>
<b>15 Trade receivables (Unsecured, unless otherwise stated) (refer note 58)</b>		
<b>Billed Receivables</b>		
Unsecured - Considered Good	25,289	24,736
Unsecured - Considered Doubtful	12,624	15,032
<b>Unbilled Receivables</b>		
Unsecured - Considered Good	5,654	8,264
Unsecured - Considered Doubtful	225	-
	43,792	48,032
Allowance for doubtful debts (refer note 50)	(12,849)	(15,032)
<b>Total</b>	<b>30,943</b>	<b>33,000</b>

Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 511 Mn (March 31, 2019 : ₹ 692 Mn)

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>16 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	34	82
Cheques on hand	31	461
Balances with banks		
- In current accounts	2,696	6,459
- In deposit accounts (having maturity less than 3 months)	947	1,426
<b>Total</b>	<b>3,708</b>	<b>8,428</b>
<b>17 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Margin money deposits <sup>(1)</sup>	5,729	1,183
Fixed deposits with banks having maturity of 3 to 12 months	16,504	-
Earmarked bank balance towards dividend	4	4
Earmarked balances <sup>(2)</sup>	500	293
Held in escrow account <sup>(3)</sup>	185	-
<b>Total</b>	<b>22,922</b>	<b>1,480</b>

<sup>(1)</sup> Includes fixed deposit of ₹ 1,904 Mn having maturity of 3 to 12 months held with banks as margin money deposit against bank guarantee and letter of credits issued by banks for a period ranging from 1 to 3 years.

<sup>(2)</sup> Contribution received by Vodafone Foundation towards CSR activities.

<sup>(3)</sup> Includes Other bank balance of ₹ 185 Mn maintained in escrow account which represents cash received from participating merchant establishments and customers in accordance with the Reserve Bank of India guidelines. The balance can only be used for the purpose of making payment to participating merchants and other permitted payments.

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>18 LOANS TO JOINT VENTURE AND OTHERS</b>		
Loan to related parties (refer note 58)		
- Loan to Joint Venture <sup>(1)</sup>	8	8
Current portion of loans to employees	1	11
<b>Total</b>	<b>9</b>	<b>19</b>

<sup>(1)</sup> Loans have been provided for general corporate purpose and interest rate is from 8.75% to 9.8% p.a. (March 31, 2019: from 8.75% to 9.8% p.a). Maximum loan outstanding during the year ₹ 8 Mn (March 31, 2019: ₹ 8 Mn).

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>19 OTHER CURRENT FINANCIAL ASSETS</b>		
Interest Receivable	1,146	21
Deposits with body corporate and others	9	105
Derivative assets at fair value through profit or loss	691	167
Settlement assets <sup>(1)</sup> (refer note 3(B))	20,886	-
Other receivables (including amount referred to in note 58)		
- Considered Good	301	387
- Considered Doubtful	-	2
	<b>23,033</b>	<b>682</b>
Allowance for doubtful advances (refer note 50)	-	(2)
<b>Total</b>	<b>23,033</b>	<b>680</b>

<sup>(1)</sup> Subsequent to the Balance Sheet date, the Company has received ₹ 15,304 Mn as advance towards such settlement which will be adjusted at the time of subsequent settlement/(s).



## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars		As at March 31, 2020	As at March 31, 2019
<b>20 OTHER CURRENT ASSETS</b>			
GST recoverable			
- Considered Good		78,140	67,413
- Considered Doubtful		222	-
Prepaid expenses		2,781	2,818
Others			
- Considered Good		752	1,029
- Considered Doubtful		374	144
		<b>82,269</b>	<b>71,404</b>
Allowance for doubtful advances (refer note 50)		<b>(596)</b>	<b>(144)</b>
<b>Total</b>		<b>81,673</b>	<b>71,260</b>
<b>21(a) ASSETS CLASSIFIED AS HELD FOR SALE</b>			
Assets of VMPL (refer note 43(iii)) <sup>(1)</sup>		-	1,815
<b>Total</b>		-	1,815
<sup>(1)</sup> As at March 31, 2019 includes Other bank balance of ₹ 232 Mn maintained in escrow account which represents cash received from participating merchant establishments and customers in accordance with the Reserve Bank of India guidelines. The balance can only be used for the purpose of making payment to participating merchants and other permitted payments.			
<b>21(b) LIABILITIES CLASSIFIED AS HELD FOR SALE</b>			
Liabilities of VMPL (refer note 43(iii)) <sup>(1)</sup>		-	867
<b>Total</b>		-	867

<sup>(1)</sup> As at March 31, 2019 includes monies received from customers ₹ 208 Mn.

		₹ Mn		
Particulars	As at March 31, 2020		As at March 31, 2019	
	Numbers	Amount	Numbers	Amount
<b>22 EQUITY SHARE CAPITAL</b>				
Authorised share capital <sup>(1)</sup>				
Equity Shares of ₹ 10 each	28,793,002,000	287,930	28,793,002,000	287,930
Redeemable cumulative non-convertible Preference shares of ₹10 Mn each	1,500	15,000	1,500	15,000
	<b>28,793,003,500</b>	<b>302,930</b>	<b>28,793,003,500</b>	<b>302,930</b>
<b>Issued, subscribed and paid-up share capital</b>				
Equity Shares of ₹ 10 each fully paid up	28,735,389,240	287,354	8,735,558,329	87,356
	<b>28,735,389,240</b>	<b>287,354</b>	<b>8,735,558,329</b>	<b>87,356</b>

<sup>(1)</sup> Pursuant to amalgamation of VMSL and VInL with the Company, authorised share capital ₹ 170,180 Mn of Transferor Company 1 (VMSL) and ₹ 50,000 Mn of Transferor Company 2 (VInL) stand transferred as authorised share capital of the Company (refer note 3(A)).

## Notes forming part of the Consolidated Financial Statements

## (a) Reconciliation of number of shares outstanding

₹ Mn

Particulars	As at March 31, 2020		As at March 31, 2019	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	8,735,558,329	87,356	4,359,320,930	43,593
Issue of share under ESOS	-	-	1,037,935	11
Issue of equity shares pursuant to amalgamation of VMSL and VInL with the Company <sup>(1)</sup>	-	-	4,375,199,464	43,752
Right issue of share during the year (refer note 43(i))	19,999,830,911	199,998	-	-
Equity shares outstanding at the end of the year	28,735,389,240	287,354	8,735,558,329	87,356

<sup>(1)</sup>These shares are allotted as fully paid up pursuant to amalgamation of VMSL and VInL with the Company without payment being received in cash.

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

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

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

Name of the shareholders	As at March 31, 2020		As at March 31, 2019	
	Numbers	% holding in the class	Numbers	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b>				
Grasim Industries Limited	3,317,566,167	11.55%	1,008,540,115	11.55%
Euro Pacific Securities Limited	3,198,986,106	11.13%	792,754,922	9.08%
Prime Metals Limited	2,185,526,081	7.61%	664,399,929	7.61%
Oriana Investments PTE Ltd <sup>(1)</sup>	2,147,307,225	7.47%	*	*
Mobilvest	1,675,994,466	5.83%	509,502,318	5.83%
Vodafone Telecommunications (India) Limited	1,624,511,788	5.65%	493,851,584	5.65%
Trans Crystal Limited	1,461,143,311	5.08%	444,187,567	5.08%
Axiata Investments 1 (India) Limited <sup>(1)</sup>	*	*	464,734,670	5.32%

<sup>(1)</sup>The percentage of shareholding as at the respective dates is less than 5% and hence not included above.

## (d) Shares reserved for issue under options

Refer Note 53 for details of shares reserved for issue under the employee stock option scheme.

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars		As at March 31, 2020	As at March 31, 2019
23	<b>OTHER EQUITY</b>		
	<b>(i) Capital reserve<sup>(1)</sup></b>		
	Opening balance	(88,324)	-
	Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3(A))	-	165
	Settlement assets/liabilities (refer note 3(B))	(136)	(85,015)
	Pursuant to merger of ABTL with the Company (refer note 43(v))	-	(3,474)
	<b>Closing balance (A)</b>	<b>(88,460)</b>	<b>(88,324)</b>
	<b>(ii) Capital reduction reserve<sup>(2)</sup></b>		
	Opening balance	277,787	-
	Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3(A))	-	277,787
	<b>Closing balance (B)</b>	<b>277,787</b>	<b>277,787</b>
	<b>(iii) Debenture redemption reserve<sup>(3)</sup></b>		
	Opening balance	4,408	4,408
	Change during the year	-	-
	<b>Closing balance (C)</b>	<b>4,408</b>	<b>4,408</b>
	<b>(iv) Securities premium</b>		
	Opening balance	1,035,532	193,354
	Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3(A))	-	842,139
	Premium on issue of shares under ESOS	-	1
	Transfer from Outstanding employee stock options reserve on exercise of options	-	121
	Stamp duty on issue of shares on amalgamation of VMSL and VinL with the Company (refer note 3(A))	-	(83)
	Premium on allotment of shares under right issue (net of share issue expenses of ₹ 834 Mn) (refer note 43(i))	49,166	-
	<b>Closing balance (D)</b>	<b>1,084,698</b>	<b>1,035,532</b>
	<b>(v) Amalgamation adjustment deficit account<sup>(4)</sup></b>		
	Opening balance	(488,408)	-
	Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3(A))	-	(488,408)
	Pursuant to merger of ITL with the Company (refer note 43(vi))	(36)	-
	<b>Closing balance (E)</b>	<b>(488,444)</b>	<b>(488,408)</b>
	<b>(vi) General Reserve</b>		
	Opening balance	1,562	169
	Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3(A)) <sup>(5)</sup>	-	1,393
	<b>Closing balance (F)</b>	<b>1,562</b>	<b>1,562</b>

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(vii) Retained Earnings</b>		
Opening balance	(234,234)	30,299
Transition impact of Ind AS 116 (refer note 2(D)(a))	(44,649)	-
Group's share of transition impact of Ind AS 116 by joint venture (Indus)	(1,740)	-
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	(122,024)
Pursuant to merger of ABTL with the Company (refer note 43(v))	-	3,449
Profit/(Loss) for the year	(738,781)	(146,039)
Other Comprehensive Income/(loss) recognised directly in retained earnings	(90)	328
Group's share of additional depreciation on fair value assets / physical verification adjustments pursuant to scheme	(268)	(247)
<b>Closing balance (G)</b>	<b>(1,019,762)</b>	<b>(234,234)</b>
<b>(viii) Employee stock options reserve</b>		
Opening balance	669	802
Share-based payments expenses (refer note 53)	(13)	(12)
Transfer to Securities premium account on exercise of options	-	(121)
<b>Closing balance (H)</b>	<b>656</b>	<b>669</b>
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>(227,555)</b>	<b>508,992</b>

(1) Capital reserve comprises of capital receipt, received as compensation from an erstwhile Joint Venture partner for failure to subscribe in the equity shares of VInL in earlier years, settlement liability created on merger of erstwhile Vodafone with the Company (refer note 3(A)) and amount pursuant to merger of ABTL with the Company. (refer note 43(v))

(2) Capital reduction reserve was created by VInL on distribution of share of VInL in Indus to share holders of VInL in accordance with capital reduction scheme. This reserve is not available for distribution as dividend.

(3) The Company was creating Debenture Redemption Reserve (DRR) till March 31, 2018 in accordance with the Companies Act, 2013. However, the reserve available for payment of dividend has turned to a negative value pursuant to amalgamation of VMSL and VInL into the Company. The Company has incurred losses during the current year. Accordingly, the Company is not required to create any further DRR as per the Act and hence no DRR has been created during the year ended March 31, 2020 and March 31, 2019.

(4) The Company has accounted for the merger of VInL and VMSL with the Company under 'pooling of interest' method. Consequently, investment of VInL in VMSL, share capital of VInL and VMSL has been cancelled. The difference between the face value of shares issued by the Company and the value of shares and investment so cancelled has been recognized in Amalgamation Adjustment Deficit Account (refer note 3(A)). Also pursuant to merger of ITL with the Company, share capital of ITL and investment of the Company have been cancelled. The difference between equity of ITL and investment of the Company of ₹ (36) Mn has been recognized in Amalgamation Adjustment Deficit Account (refer note 43 (vi)). From utilisation perspective, this is an unrestricted reserve.

(5) Not available for distribution as dividend.

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars		As at March 31, 2020	As at March 31, 2019
24	<b>LONG TERM BORROWINGS</b>		
	<b>Secured Loans</b>		
	Redeemable Non-Convertible Debentures (NCDs)	-	50
	<b>Term Loans</b>		
	- Rupee loan from banks	9,950	57,424
	Vehicle loan from banks	-	5
	<b>Total Secured loans</b>	<b>9,950</b>	<b>57,479</b>
	<b>Unsecured Loans</b>		
	Redeemable Non-Convertible Debentures (NCDs)	74,828	103,527
	<b>Term Loans</b>		
	- Foreign currency loan from banks	1	2,914
	- Rupee loan from Others	1,500	3,206
	<b>Total Unsecured Loans</b>	<b>76,329</b>	<b>109,647</b>
	<b>Subtotal (A)</b>	<b>86,279</b>	<b>167,126</b>
	<b>Deferred Payment Liabilities towards Spectrum (unsecured) (B)</b>	<b>876,474</b>	<b>876,481</b>
	<b>Deferred Payment Others (unsecured) (C)</b>	<b>51</b>	<b>422</b>
	<b>Total (A+B+C)</b>	<b>962,804</b>	<b>1,044,029</b>

## (a) (i) Security clause

₹ Mn

Type of Borrowing	Outstanding Secured Loan Amount <sup>(1)</sup>		Security Offered <sup>(2)</sup>
	As at March 31, 2020	As at March 31, 2019	
9.45% Redeemable Non Convertible Debentures	-	3,960	Pari passu charge only on the tangible fixed assets excluding passive telecom infrastructure
8.12% Redeemable Non Convertible Debentures	-	50	First pari passu charge on movable fixed assets of the company excluding:
Rupee Loan <sup>(3)</sup>	9,950	9,950	a) Spectrum and Telecom licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive telecom infrastructure
Rupee Loan <sup>(3)</sup>	77,500	80,000	First charge on all the movable assets (including current/non current assets), immovable assets and intangible assets of the Company excluding: a) Spectrum and Telecom Licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive Telecom Infrastructure
Vehicle Loans	3	44	Hypothecation of Vehicles against which the loans have been taken
<b>Sub-Total</b>	<b>87,453</b>	<b>94,004</b>	
<b>Unamortised upfront fees</b>	<b>(1)</b>	<b>(34)</b>	
<b>Total</b>	<b>87,452</b>	<b>93,970</b>	

<sup>(1)</sup> Amounts represent Long term borrowings including current maturities of ₹ 77,502 Mn (March 31, 2019 ₹ 36,491 Mn).

<sup>(2)</sup> Security offered does not cover properties / assets acquired pursuant to amalgamation of VM SL and VInL with the Company, RoU assets and assets to which the title will be transferred to the Company on final payment (refer note 7(5)).

<sup>(3)</sup> Term loans are also secured by way of first charge ranking pari-passu inter se the lenders as above.

## Notes forming part of the Consolidated Financial Statements

- (a) (ii) The Company has also provided charge against certain assets excluding ROU assets and assets to which the title will be transferred to the Company on final payment (refer note 7(5)) for availing non-fund based facility towards bank guarantees/letter of credit including guarantee to DoT with respect to deferred payment liabilities towards spectrum, one time spectrum charges and various performance/roll out obligations. The details of the same are as below:

₹ Mn

Type of funding	Security Amount		Outstanding Facility Amount		Security Offered
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
Bank Guarantee and Letter of Credit	20,000	20,000	7,542	10,590	First Pari Passu charge on movable (including CWIP) and current assets of the Company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn and c) spectrum and telecom licenses
	24,250	24,250	20,367	16,005	Second pari passu charge on movable (including CWIP) and current assets of the Company <sup>(1)</sup>
	97,500	87,500	97,500	87,500	Second pari passu charge on movable (including CWIP) and current assets of the Company excluding <sup>(1)</sup> a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn and c) spectrum and telecom licenses
	3,000	3,000	402	402	Second pari passu charge on movable (including CWIP) assets of the Company <sup>(1)</sup>
	68,750	-	51,384	-	First pari passu charge on movable fixed assets of the Company acquired pursuant to amalgamation of VMSL and VInL with the Company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn c) spectrum and telecom licenses
	7,570	-	5,148	-	Charge on fixed deposit of ₹ 363 Mn
	221,070	134,750	182,343	114,497	

**Note:** Apart from this, the Company also has unsecured Bank Guarantees of ₹ 39,544 Mn.

<sup>(1)</sup> Security offered does not cover properties / assets acquired pursuant to amalgamation of VMSL and VInL with the Company.

- (b) Repayment terms of Long term borrowings as on March 31, 2020

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>				
a) Rupee Loan <sup>(1) &amp; (2)</sup>	47,500	-	47,500	a) 4 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2020 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026



## Notes forming part of the Consolidated Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
b) Rupee Loan <sup>(2)</sup>	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan <sup>(1) &amp; (2)</sup>	30,000	-	30,000	Repayable in 20 equal quarterly installments starting September, 2021
d) Vehicle Loans	3	-	3	Equal monthly installments over the term of the loan ranging from 2 to 5 years
<b>Sub-Total</b>	<b>77,503</b>	<b>9,950</b>	<b>87,453</b>	
Unamortised upfront fees	(1)	-	(1)	
<b>Sub-Total (A)</b>	<b>77,502</b>	<b>9,950</b>	<b>87,452</b>	
<b>(ii) Unsecured Loans</b>				
a) Foreign currency Loan <sup>(1)</sup>	358	-	358	Repayable in April, 2020
b) Foreign currency Loan <sup>(1)</sup>	2,500	-	2,500	7 equal half yearly installments starting April, 2020
c) Foreign currency Loan <sup>(1)</sup>	1,785	-	1,785	3 equal half yearly installments starting May, 2020
d) Foreign currency Loan <sup>(1)</sup>	11,374	-	11,374	3 equal annual installments starting June, 2020
e) Foreign currency Loan <sup>(1)</sup>	11,691	-	11,691	3 equal annual installments starting July, 2020
f) Foreign currency Loan	269	-	269	Repayable in September, 2020
g) Foreign currency Loan	55	-	55	Repayable in March, 2021
h) Rupee Term Loan <sup>(1) &amp; (2)</sup>	40,000	-	40,000	4 equal quarterly installments starting September, 2022
i) Rupee Term Loan <sup>(1) &amp; (2)</sup>	10,000	-	10,000	Repayable in 4 equal quarterly installments starting October, 2022
j) Rupee Term Loan	1,183	1,500	2,683	Repayable in Half yearly installments starting from April, 2020 to December, 2023
k) Rupee Term Loan	881	-	881	Repayable in 6 installments starting from April, 2020 to July, 2020
l) 7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
m) 7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
n) 8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022
o) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
p) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022
q) 10.90% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
r) 8.25% Redeemable Non Convertible Debentures	28,750	-	28,750	Repayable in July, 2020 (Out of the 35,000 NCDs issued in FY 2015-16, the Company has re-purchased 6,250 NCDs of ₹ 1 Mn each, aggregating to ₹ 6,250 Mn with an option to re-issue the same in future)
<b>Sub-Total</b>	<b>108,846</b>	<b>76,500</b>	<b>185,346</b>	
Unamortised upfront fees	(1)	(171)	(172)	
<b>Sub-Total (B)</b>	<b>108,845</b>	<b>76,329</b>	<b>185,174</b>	

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(iii) Deferred Payment Liability (DPL) towards spectrum acquired in<sup>(3)</sup></b>				
a) November - 2012 auctions	-	10,790	10,790	9 equal annual installments starting December, 2022
b) February - 2014 auctions	-	210,038	210,038	a) ₹ 207,326 Mn and Interest thereon will be repaid in 10 equal annual installments starting March, 2023 b) ₹ 2,712 Mn and interest thereon will be repaid in 13 equal annual installments starting September, 2022
c) March - 2015 auctions	-	463,903	463,903	a) ₹ 462,419 Mn and Interest thereon will be repaid in 12 equal annual installments starting April, 2022 b) ₹ 1,484 Mn and Interest thereon will be repaid in 13 equal annual installments starting September, 2022
d) October - 2016 auctions	-	191,743	191,743	13 equal annual installments starting October, 2022
<b>Sub-Total (C)</b>	<b>-</b>	<b>876,474</b>	<b>876,474</b>	
<b>(iv) Deferred Payment Others (D)</b>	<b>482</b>	<b>51</b>	<b>533</b>	Repayable in quarterly/yearly installments from June, 2020 to June, 2021
<b>Grand Total (A+B+C+D)</b>	<b>186,829</b>	<b>962,804</b>	<b>1,149,633</b>	

## Repayment terms of Long term borrowings as on March 31, 2019

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>				
a) Rupee Loan <sup>(1)</sup>	2,500	47,500	50,000	a) 8 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2019 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026
b) Rupee Loan	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan <sup>(1)</sup>	30,000	-	30,000	Repayable in 20 equal quarterly installments starting September, 2021
d) 9.45% Redeemable Non Convertible Debentures	3,960	-	3,960	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹ 10 Mn each, aggregating to ₹ 6,040 Mn with an option to re-issue the same in future)

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
e) 8.12% Redeemable Non Convertible Debentures	-	50	50	Repayable in February, 2024 (Out of the 10,000 NCDs issued in FY 2017, the Company has re-purchased 9,950 NCDs of ₹ 1 Mn each, aggregating to ₹ 9,950 Mn with an option to re-issue the same in future)
f) Vehicle Loans	39	5	44	Equal monthly installments over the term of the loan ranging from 2 to 5 years
<b>Sub-Total</b>	<b>36,499</b>	<b>57,505</b>	<b>94,004</b>	
Unamortised upfront fees	(8)	(26)	(34)	
<b>Sub-Total (A)</b>	<b>36,491</b>	<b>57,479</b>	<b>93,970</b>	
<b>(ii) Unsecured Loans</b>				
a) Foreign currency Loan <sup>(1)</sup>	1,271	329	1,600	a) 1 quarterly installment of USD 4.125 Mn (₹ 285 Mn) payable in April, 2019. b) 4 equal quarterly installments of USD 4.75 Mn (₹ 329 Mn) starting July, 2019.
b) Foreign currency Loan <sup>(1)</sup>	655	2,294	2,949	9 equal half yearly installments starting April, 2019
c) Foreign currency Loan <sup>(1)</sup>	1,640	-	1,640	5 equal half yearly installments starting May, 2019
d) Foreign currency Loan <sup>(1)</sup>	1,090	-	1,090	5 equal half yearly installments starting May, 2019
e) Foreign currency Loan <sup>(1)</sup>	21,164	-	21,164	3 equal annual installments starting June, 2020
f) Foreign Currency Loan	494	-	494	2 equal half yearly installments starting September, 2019.
g) Foreign Currency Loan	-	247	247	Repayable in September 2020
h) Foreign Currency Loan	-	50	50	Repayable in March 2021
i) Rupee Term Loan <sup>(1)</sup>	40,000	-	40,000	4 equal quarterly installments starting September, 2022
j) Rupee Term Loan	1,048	2,413	3,461	Repayable in Half yearly installments starting from April 2019 to December 2023.
k) Rupee Term Loan	3,628	792	4,420	Repayable in Quarterly installments starting from April 2019 to July 2020.
l) Rupee Term Loan <sup>(1)</sup>	10,000	-	10,000	Repayable in 4 equal quarterly installments starting October 2022
m) 7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
n) 7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
o) 8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022
p) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
q) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
r) 10.90% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
s) 8.15% Redeemable Non Convertible Debentures	25,000	-	25,000	Repayable in July, 2019
t) 8.25% Redeemable Non Convertible Debentures	-	28,750	28,750	Repayable in July, 2020 (Out of the 35,000 NCDs issued in FY 2015-16, the Company has re-purchased 6,250 NCDs of ₹ 1 Mn each, aggregating to ₹ 6,250 Mn with an option to re-issue the same in future).
<b>Sub-Total</b>	<b>105,990</b>	<b>109,875</b>	<b>215,865</b>	
Unamortised upfront fees	(9)	(228)	(237)	
<b>Sub-Total (B)</b>	<b>105,981</b>	<b>109,647</b>	<b>215,628</b>	
<b>(iii) Deferred Payment Liability (DPL) towards spectrum acquired in</b>				
a) November - 2012 auctions	538	10,791	11,329	12 equal annual installments starting December, 2019
b) February - 2014 auctions	8,887	210,042	218,929	a) ₹ 216,139 Mn and Interest thereon will be repaid in 13 equal annual installments starting March, 2020 b) ₹ 2,790 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019
c) March - 2015 auctions	15,067	463,905	478,972	a) ₹ 477,445 Mn and Interest thereon will be repaid in 15 equal annual installments starting April, 2019 b) ₹ 1,527 Mn and Interest thereon will be repaid in 16 equal annual installments starting September, 2019
d) October - 2016 auctions	5,836	191,743	197,579	16 equal annual installments starting October, 2019
<b>Sub-Total (C)</b>	<b>30,328</b>	<b>876,481</b>	<b>906,809</b>	
<b>(iv) Deferred Payment Others (D)</b>	<b>1,363</b>	<b>422</b>	<b>1,785</b>	Repayable in quarterly/yearly installments from June, 2019 to June, 2021
<b>Grand Total (A+B+C+D)</b>	<b>174,163</b>	<b>1,044,029</b>	<b>1,218,192</b>	

(1) Some of the Company's loans are subjected to covenant clauses, whereby the Company is required to meet certain specified financial ratios. The Company has not met certain financial ratios for some of these arrangements, the gross outstanding amount for which as at March 31, 2020 was ₹ 155,208 Mn (March 31, 2019: ₹ 158,443 Mn). Waivers for loans of ₹ Nil (March 31, 2019: ₹ 55,596 Mn) has been received as of reporting date. Accordingly ₹ 142,757 Mn (includes ₹ 95,972 Mn reclassified as on March 31, 2019) has been re-classified from non-current borrowings to current maturities of long term debt (refer note 4(B)). The unamortised arrangement fees on such borrowings of ₹ 32 Mn (March 31, 2019: ₹ 743 Mn) has been charged in statement of profit and loss. As on the reporting date, none of the banks have approached for early repayment.

(2) The Company has availed option for moratorium of 6 months for repayment of Interest and principal in accordance with the notification issued by RBI.

(3) Department of Telecommunications (DoT) has provided an option for deferment of payment of spectrum auction installment due for the financial years 2020-21 and 2021-22. The Company has opted for the deferment of payment for both the years for which the Company needs to provide additional bank guarantees amounting to ₹ 37,378 Mn pertaining to various auctions as and when they fall due. Subsequent to the Balance Sheet date, the Company has provided bank guarantees amounting to ₹ 19,346 Mn pertaining to March- 2015 auctions to DoT.

## Notes forming part of the Consolidated Financial Statements

- (c) Interest rate for Rupee Term Loan ranges from 4.0% to 12.75%. Foreign currency loan ranges from 1.40% to 4.15% and Deferred Payment Liability towards spectrum ranges from 9.30% to 10%.

		₹ Mn	
Particulars	As at March 31, 2020	As at March 31, 2019	
<b>25 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>			
Security deposits	46	23	
Payables for capital expenditure (includes amount referred in note 7(5))	54,309	13,431	
Interest accrued but not due on deferred payment liability	55,440	4	
Settlement Liability (refer note 3(B))	-	83,923	
Lease Liabilities (refer note 46)	164,278	-	
<b>Total</b>	<b>274,073</b>	<b>97,381</b>	
<b>26 LONG TERM PROVISIONS</b>			
Gratuity (refer note 54)	2,751	2,339	
Compensated absences	547	1,002	
Asset retirement obligation (refer note 51)	123	126	
<b>Total</b>	<b>3,421</b>	<b>3,467</b>	
<b>27 OTHER NON-CURRENT LIABILITIES</b>			
Deferred Revenue	4,611	4,100	
Others	-	135	
<b>Total</b>	<b>4,611</b>	<b>4,235</b>	
<b>28 SHORT TERM BORROWINGS</b>			
<b>Secured Loans</b>			
Bank overdraft <sup>(1)</sup>	-	304	
Short term loan from bank <sup>(2)</sup>	-	30,318	
<b>Unsecured Loans</b>			
Bank overdraft	39	566	
Short term loan from banks	283	5,800	
Buyer credits	-	2,720	
Short term loans from others	-	1,499	
<b>Total</b>	<b>322</b>	<b>41,207</b>	

<sup>(1)</sup> Secured by way of pari passu second charge on movable and immovable assets of the Company and does not cover properties/assets acquired pursuant to amalgamation of VMSL and VInL with the Company.

<sup>(2)</sup> As at March 31, 2019, the Company has pledged of 43,376 equity shares of Indus held by the Company as security (refer note 10).

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	As at March 31, 2020	As at March 31, 2019	
<b>29 OTHER CURRENT FINANCIAL LIABILITIES</b>			
Current maturities of long term debt (refer note 24(a), 24(b) and 24(c))	186,829	174,163	
Payable for capital expenditure (includes amount referred in note 7(5))	36,896	59,755	
Accrual towards One Time Spectrum Charges (OTSC) (refer note 43(viii))	38,871	-	
Interest accrued but not due on borrowings	5,641	64,139	
Unpaid dividend	4	4	
Derivative liabilities at fair value through profit or loss	-	819	
Security deposits from customers and others	4,380	5,066	
Lease Liabilities (refer note 46)	104,514	-	
<b>Total</b>	<b>377,135</b>	<b>303,946</b>	
<b>30 OTHER CURRENT LIABILITIES</b>			
Advance from customers and deferred revenue	27,263	26,232	
Taxes, regulatory and statutory liabilities (includes provision with respect to subjudice matter related to licensing dispute) (includes amount referred in note 4(A))	434,943	43,234	
Others	-	33	
<b>Total</b>	<b>462,206</b>	<b>69,499</b>	
<b>31 SHORT TERM PROVISIONS</b>			
Gratuity (refer note 54)	326	163	
Compensated absences	120	199	
Asset retirement obligation (refer note 51)	46	17	
Provision for tax (net of Advance tax of ₹ Nil (March 31, 2019: ₹ Nil))	1	-	
<b>Total</b>	<b>493</b>	<b>379</b>	
		₹ Mn	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	
<b>32 OTHER OPERATING INCOME</b>			
Liabilities no longer required written back	229	652	
Miscellaneous receipts	179	217	
<b>Total</b>	<b>408</b>	<b>869</b>	
<b>33 OTHER INCOME</b>			
Interest income (refer note 58)	7,375	218	
Gain on Mutual Funds (including fair value gain/(loss))	2,883	7,053	
Others	135	40	
<b>Total</b>	<b>10,393</b>	<b>7,311</b>	



## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	
<b>34 EMPLOYEE BENEFIT EXPENSES</b>			
Salaries, wages and bonus	18,846	19,942	
Contribution to provident and other funds (refer note 54)	1,575	1,501	
Share based payment expenses (ESOS) (refer note 53) <sup>(1) &amp; (2)</sup>	(102)	246	
Staff welfare	1,154	1,056	
Recruitment and training	170	199	
<b>Total</b>	<b>21,643</b>	<b>22,944</b>	
<sup>(1)</sup> includes charge/(credit) on account of cash settled ESOP ₹ (89) Mn (March 31, 2019: ₹ 258 Mn).			
<sup>(2)</sup> The charge for the year ended March 31, 2020 is net of reversal on account of cancellation of unvested options of ₹ 13 Mn (March 31, 2019 : ₹ 12 Mn).			
<b>35 NETWORK EXPENSES AND IT OUTSOURCING COST</b>			
Security service charges	606	640	
Power and fuel	60,842	56,943	
Repairs and maintenance - plant and machinery	28,236	21,541	
Switching and cellsites rent (refer note 2(D)(a))	-	1,582	
Lease line and connectivity charges	5,762	4,085	
Network insurance	533	261	
Passive infrastructure charges (refer note 2(D)(a))	-	73,865	
Other network operating expenses	2,594	2,350	
IT outsourcing cost	11,343	8,785	
<b>Total</b>	<b>109,916</b>	<b>170,052</b>	
<b>36 LICENSE FEES AND SPECTRUM USAGE CHARGES</b>			
License fees	33,120	26,541	
Spectrum usage charges	15,362	12,790	
<b>Total</b>	<b>48,482</b>	<b>39,331</b>	
<b>37 ROAMING AND ACCESS CHARGES</b>			
Roaming charges	3,898	4,220	
Access charges	56,078	37,470	
<b>Total</b>	<b>59,976</b>	<b>41,690</b>	
<b>38 SUBSCRIBER ACQUISITION AND SERVICING EXPENDITURE</b>			
Cost of sim and recharge vouchers	805	1,335	
Commission to dealers and others	20,766	18,851	
Customer verification expenses	808	580	
Collection, telecalling and servicing expenses	6,119	6,261	
Customer retention and customer loyalty expenses	793	980	
<b>Total</b>	<b>29,291</b>	<b>28,007</b>	

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	
<b>39</b>	<b>ADVERTISEMENT, BUSINESS PROMOTION EXPENDITURE AND CONTENT COST</b>		
	Advertisement & Business promotion expenditure	4,179	4,969
	Content cost	7,513	5,470
	<b>Total</b>	<b>11,692</b>	<b>10,439</b>
<b>40</b>	<b>OTHER EXPENSES</b>		
	Repairs and maintenance		
	Building	102	148
	Others	3,044	1,967
	Other insurance	21	52
	Non network rent (refer note 2(D)(a))	-	2,803
	Rates and taxes	287	391
	Electricity	1,048	1,115
	Printing and stationery	93	87
	Communication expenses	204	175
	Travelling and conveyance	1,242	1,179
	Bad debts / advances written off	5,332	28
	Allowances for doubtful debts and advances (refer note 50)	(1,960)	2,301
	Loss / (Gain) on disposal of property, plant and equipment (net)	26	(91)
	Bank charges	7	27
	Directors Sitting Fees (refer note 58)	11	6
	Legal and professional charges*	1,788	1,104
	Audit fees	93	100
	CSR expenditure	26	39
	Support service charges (refer note 58)	5,395	3,158
	Miscellaneous expenses**	2,562	2,386
	<b>Total</b>	<b>19,321</b>	<b>16,975</b>

\* Includes certification fees of statutory auditor ₹ 23 Mn (March 31, 2019: ₹ 24 Mn).

\*\* Includes out of pocket expenses of statutory auditor ₹ 16 Mn (March 31, 2019: ₹ 4 Mn).

		₹ Mn	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	
<b>41</b>	<b>FINANCE COSTS</b>		
	Interest		
	- On fixed period loan (Net of ₹ Nil capitalised, March 31, 2019: ₹ 612 Mn)	26,200	23,209
	- On deferred payment liability towards spectrum (Net of ₹ Nil capitalised, March 31, 2019: ₹ 1,936 Mn)	87,521	67,335
	- On lease liabilities (refer note 46)	26,152	-
	- Others	3,867	473
	Other finance charges	3,376	1,167
	<b>Total interest expense</b>	<b>147,116</b>	<b>92,184</b>
	Exchange difference (net) (Net of ₹ Nil capitalised, March 31, 2019: ₹ 397 Mn)	8,143	230
	Loss / (gain) on derivatives (including fair value changes on derivatives)	(1,339)	3,011
	<b>Total</b>	<b>153,920</b>	<b>95,425</b>

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>42 EXCEPTIONAL ITEMS (NET)</b>		
Gain on sale of Idea Cellular Infrastructure Services Limited (ICISL)	-	33,473
Integration and merger related costs	(10,012)	(26,607)
Provision for additional depreciation / impairment of assets		
- Accelerated depreciation on network re-alignment / re-farming <sup>(1)</sup>	(59,743)	(5,511)
- Impact due to cancellation of lease contract on network re-alignment	2,172	-
Re-assessment of certain estimates and accrual	-	7,893
License fees and SUC on AGR (refer note 4(A))	(275,143)	-
One Time Spectrum Charges (refer note 43(viii))	(38,871)	-
Provision for impairment towards its investment in associate (refer note 43(ii))	(1,596)	-
Others	(364)	(727)
<b>Total</b>	<b>(383,557)</b>	<b>8,521</b>
Deferred tax impact on above	-	(4,727)

<sup>(1)</sup> During the year, the Company basis its revised business plan, is in the process of re-farming its 3G spectrum for 4G services along with its Network integration / alignment. Consequently, certain assets capitalised earlier may no longer be usable. Accordingly, the Company has taken an accelerated depreciation charge of ₹ 40,320 Mn and disclosed it as exceptional item.

**43 SIGNIFICANT TRANSACTIONS / NEW DEVELOPMENTS**

- i) On May 4, 2019, the Group has allotted 19,999,830,911 Equity Shares of face value of ₹ 10 each to the eligible equity shareholders under a Rights Issue at a price of ₹ 12.50 (including a premium of ₹ 2.50) per equity share aggregating to ₹ 249,998 Mn. Entire proceeds from the Rights Issue has been utilised in accordance with the issue object(s) stated in offer document (as amended).
- ii) Aditya Birla Idea Payment Bank Limited (ABIPBL), an associate of the Company has decided to wind up business voluntarily (voluntary winding up) on July 19, 2019 subject to requisite regulatory approvals and consent. The Company is currently under liquidation. Accordingly, the Group has ceased to do equity accounting for ABIPBL effective July 2019 and made a provision for impairment of the amount of investments in ABIPBL of ₹ 1,596 Mn and additional amount of ₹ 98 Mn contributed in proportion to shareholding during the year towards liquidation expenses under exceptional items.
- iii) Vodafone M-Pesa Limited (VMPL), a 100% subsidiary of the Group into the business of Prepaid Payment Instruments (PPI) and Business Correspondence (BC) decided to wind up both these business voluntarily on July 8, 2019 subject to requisite regulatory approvals and consent. It had thereby written to Reserve Bank of India (RBI) for surrendering its PPI Licence which has been accepted by the RBI. Pursuant to such acceptance, the RBI has directed the Company to:
  - a) Maintain the unextinguished liability towards PPI holders and merchants in the escrow account for a period of three years i.e. till September 30, 2022 and make efforts to extinguish the same.
  - b) Continue compliance of Master Direction on issuance and operation of PPIs dated October 11, 2017 (updated as on January 16, 2020) and maintain / store log of all transactions undertaken using our PPIs for a period of ten years.
  - c) Fulfil customer transaction related and other data related queries on request.
  - d) Store and retrieve based on queries from regulatory authorities and / or law enforcement agencies, records as available in hard copy/ scan images for full KYC customers.
  - e) Continue operating call centres for addressing customer queries and/or grievances.

Accordingly, the Group has reclassified the assets from assets held for sale and on a prudence basis, has recorded accelerated depreciation/ provision for difference between the carrying value and expected recoverable value of various current and non-current assets amounting to ₹ 533 Mn.
- iv) Pursuant to agreement entered into by the Group, Bharti Airtel Limited and Vodafone Group for merging Indus Towers Limited (Indus) into Bharti Infratel Limited (BIL) which is subject to requisite regulatory / corporate approvals and certain closing conditions, the Group has an option to either sell its 11.15% stake to BIL before the merger based on a predetermined pricing formula, or receive shares on merger of the enlarged merged entity at an agreed share exchange ratio, as a part of the merger scheme. Till the time the decision on the option is taken, Indus continues to be accounted for as a joint venture of the Group and reflected as a non-current investment.

## Notes forming part of the Consolidated Financial Statements

- v) On September 20, 2018, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Aditya Birla Telecom Limited (ABTL), a wholly owned subsidiary, with the Company with an appointed date of April 1, 2018. During the previous year, the Company has received the requisite regulatory approvals and the merger became effective on November 30, 2018 on filing the certified copies of the orders sanctioning the scheme with the RoC. This transaction has been accounted as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of ABTL. Such merger has resulted into decrease in Capital Reserve by ₹ 3,474 Mn, decrease in Goodwill on consolidation by ₹ 25 Mn and corresponding increase in Retained Earnings by ₹ 3,449 Mn.
- vi) On August 13, 2019, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Vodafone India Digital Limited (VIDL) and Idea Telesystems Limited (ITL), with the Company with an appointed date of April 1, 2019. During the year, the Company has received the requisite regulatory approvals and the merger became effective on March 1, 2020 on filing the certified copies of the orders sanctioning the scheme with the RoC. This transaction has been accounted as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of VIDL and ITL. Such merger has resulted into decrease in Goodwill on consolidation by ₹ 36 Mn and corresponding increase (as negative result) in Amalgamation adjustment deficit account by ₹ 36 Mn.
- vii) Indus Towers Limited, a joint venture of the Company ("JV Company"), in its financial statements for the year ended March 31, 2020 reported that the JV Company's two major customers in the telecom services industry impacted by the above SC AGR Judgement (refer note 4(A) above) contributed substantial and material portion of the net sales which resulted in significant and material part of the trade receivables due from these customers. Further, that the loss of significant customer/s or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition of the JV Company. This matter is included in the auditor's report on the financial statements of Indus Towers Limited as at March 31, 2020.
- viii) One Time Spectrum Charges (Beyond 4.4 MHz):

During the financial year 2012-13, DoT had issued demand notices towards one time spectrum charges (hereinafter referred to as "OTSC"). The demands on the Company i.e. formerly Idea Cellular Limited have been challenged by way of writ petition before the Bombay High Court (BHC). The erstwhile Vodafone India Limited (VInL) and erstwhile Vodafone Mobile Services Limited (VMsL) had challenged the demands before the TDSAT. The grounds taken before BHC and TDSAT were different though.

On July 4, 2019 TDSAT in its judgement quashed the demands levied on erstwhile VInL and VMsL and inter alia held that:

- For spectrum up to 6.2 MHz, OTSC is not chargeable and accordingly demand set aside.
- For spectrum beyond 6.2 MHz,
  - Allotment after July 1, 2008, OTSC shall be levied from the date of allotment of such spectrum.
  - Allotment before July 1, 2008, OTSC shall be levied from January 1, 2013 till the date of expiry of license.
  - Conditions as stated in para 1 (v) of the impugned order dated December 28, 2012 (given hereunder) is arbitrary and illegal and is accordingly set aside, i.e. Upfront charges in the case of spectrum holding in multiple bands (900 MHz and 1800 MHz), spectrum in 1800 MHz band will be accounted for first, towards the limit of 4.4 MHz was held to be arbitrary and illegal and accordingly set aside.

Thereafter VIL filed an appeal before the Hon'ble Supreme Court against the TDSAT judgement. On March 16, 2020, Hon'ble Supreme Court dismissed the petition filed by the Company challenging the levy of OTSC beyond 6.2 MHz. Following the dismissal of the Company's appeal by the Hon'ble Supreme Court on March 16, 2020, the Company is yet to receive any demand from DoT in line with the TDSAT order. VIL proceedings before the BHC in respect of Idea Cellular Limited remains pending. DoT has also preferred an appeal against the TDSAT impugned judgement.

The Company, on prudence basis, has recognized a charge for spectrum holding beyond 6.2 Mhz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given for OTSC in line with the M&A guidelines at the time of merger. Accordingly, an amount of ₹ 38,871 Mn has been recognised as exceptional items during the year.

#### 44 CAPITAL AND OTHER COMMITMENTS

Estimated amount of commitments are as follows:

- Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 27,289 Mn (March 31, 2019: ₹ 31,719 Mn).
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 40,454 Mn (March 31, 2019: ₹ 53,076 Mn).

## Notes forming part of the Consolidated Financial Statements

### 45 CONTINGENT LIABILITIES NOT PROVIDED FOR

#### A) Licensing Disputes:

- i. One Time Spectrum Charges (OTSC) (Beyond 4.4 MHz) - ₹ Nil (March 31, 2019: ₹ 67,941 Mn):

During the year, the Company has recognised an amount of ₹ 38,871 Mn towards OTSC (refer note 43 (viii)). Further, the Company has provided bank guarantee towards OTSC beyond 4.4 MHz amounting to ₹ 33,224 Mn as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014 which is yet to be released.

- ii. OTSC (Less than 4.4 MHz) - ₹ 38,570 Mn (March 31, 2019: ₹ 38,570 Mn):

In FY 2015-16 erstwhile VMSL received demands from DoT towards One time spectrum charges for less than 4.4 MHz pursuant to the transfer of licenses of certain subsidiaries amounting to ₹ 33,495 Mn. The Group believes the charges levied by DoT are not tenable, since the merger guidelines are not applicable considering that the said merger did not involve any intra-circle merger and did not result in increase in spectrum holding of the Group. The Demand is challenged and remains sub-judice at TDSAT.

Also, in FY 2015-16, erstwhile VMSL received demand from DoT towards extension of license of Tamil Nadu circle for making it co-terminus with license of Chennai circle amounting to ₹ 5,075 Mn. The Group believes the charges levied by DoT are not tenable, considering the merger of licenses is as per the guidelines issued by DoT in 2005 and as such does not get covered under as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014. The Demand is challenged and remains sub-judice at TDSAT.

- iii. Other Licensing Disputes - ₹ 25,248 Mn (March 31, 2019: ₹ 171,354 Mn):

- Disputes relating to alleged non-compliance of licensing conditions & other disputes with DoT (including those towards CAF Audit and EMF), either filed by or against the Company and pending before Hon'ble Supreme Court / TDSAT. Previous year figures include the matter relating to interpretation of definition of adjusted gross revenue (AGR) and other license fee assessment related matters.

- Demands on account of alleged violations in license conditions relating to amalgamation of erstwhile Spice Communications Limited currently sub-judice before the Hon'ble TDSAT.

- Demand with respect to upfront spectrum amounts for continuation of services from February 2, 2012 till various dates in the service areas where the licenses were quashed following the Hon'ble Supreme Court Order.

In October 2015, DoT issued interim guidelines, wherein Microwave Spectrum held by expired /expiring licenses was declared as being held on a provisional basis subject to final outcome of DoT's decision on recommendation by TRAI on the allocation and pricing of Microwave Spectrum. The interim guidelines issued by DoT are not in line with the understanding provided during the earlier auctions as part of Notice Inviting Application (NIA) for the spectrum auction.

Basis the interim guidelines, DoT has instructed the Company to provide an undertaking that the pricing and allocation decisions of DoT would be considered final in this respect. The Company has not provided the said undertaking or signed the agreement being against the express and binding confirmations under NIA. Further TDSAT vide its order dated March 13, 2019 set aside the Impugned guidelines and stated 2006 rates hold to be valid, which should be applied from future date as and when notified by DoT as per the judgment. The Hon'ble Supreme Court vide its order dated November 8, 2019 stayed the TDSAT order and directed the Company to furnish bank guarantee till the next date of hearing. The matter is currently sub-judice.

- iv. The Hon'ble Supreme Court on October 24, 2019 delivered its judgement on the cross appeals against the Hon'ble TDSAT judgement dated April 23, 2015 relating to the definition of Adjusted Gross Revenue ('AGR Judgement'). The order upheld the levy of interest, penalty and interest on penalty. The DoT has provided a statement of preliminary assessed AGR dues amounting to ₹ 582,540 Mn including the principal, interest, penalty and interest on penalty up to FY 2016-17. The Company, based on DoT demands (mainly up to the period FY 2016-17 and some beyond) after adjustment for certain computational errors and payments made in the past not considered in DoT demands and estimates made by the Company for the periods thereafter for which demands have not been received together with interest, penalty and interest on penalty up to March 31, 2020 has recognized a total estimated liability of ₹ 460,000 Mn (refer note 4 (A)).

#### B) OTHER MATTERS NOT ACKNOWLEDGED AS DEBT

₹ Mn

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Income tax matters (see note i below)	13,895	14,827
Sales tax and entertainment tax matters (see note ii below)	1,925	1,396
Service tax/Goods and Service Tax (GST) matters (see note iii below)	16,648	15,657
Entry tax and customs matters (see note iv below)	4,845	4,701
Other claims (see note v below)	15,767	12,780
<b>Total</b>	<b>53,080</b>	<b>49,361</b>

## Notes forming part of the Consolidated Financial Statements

### i. Income Tax Matters (including Tax deducted at source)

- Appeals filed by the Group against the demands raised by the Income Tax Authorities relates to disputes on non-applicability of tax deductions at source on prepaid margin allowed to prepaid distributors & roaming settlement, disputes relating to denial of tax holiday benefit from certain business receipts etc.

The matters are contested by the Group at various appellate authorities against the tax authorities.

### ii. Sales Tax and Entertainment Tax

- Sales Tax demands mainly relates to the demands raised by the VAT/Sales Tax authorities of few states on Broadband Connectivity, SIM cards etc. on which the Group has already paid Service Tax.
- Demand of tax for non-submission of Declaration forms viz. C forms & F forms in stipulated time limit.
- In one state entertainment tax is being demanded on revenue from value added services. However, the Group has challenged the constitutional validity of the levy.

### iii. Service Tax/ Goods and Service Tax (GST)

Service Tax / GST demands mainly relates to the following matters:

- Denial of Cenvat credit related to Towers and Shelters.
- Disallowance of Cenvat Credit on input services viewed as ineligible credit
- Demand of service tax on SMS termination charges, Demand of service tax on reversal of input credit on various matters including on removal of passive infrastructure.

### iv. Entry Tax and Customs

- Entry Tax disputes pertains to classification / valuation of goods.
- Demand of customs duty/anti-dumping duty on dispute relating to classification issue. The Group has challenged these demands which are pending at various forums.

### v. Other claims not acknowledged as debts

- Mainly include consumer forum cases, disputed matters with local Municipal Corporation, Electricity Board and other miscellaneous sub-judiced disputes.

The future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. Further, based on the Group's evaluation, it believes that it is not probable that the claims will materialise and therefore, no provision has been recognised for the above.

- C) P5 Asia Holdings Investments (Mauritius) Limited (P5) has a right to sell equity share of Indus Towers Limited (Indus) held by P5 to the Company at its fair value in the event of non-meeting certain conditions. Such right is suspended pursuant to the proposed merger of Indus with BIL effective from April 25, 2018 until the date of merger.

## 46 OPERATING LEASE

### (a) Group as lessee

The Group has adopted the Ind AS 116 from April 1, 2019 which supersedes the Ind AS 17. The effects of adopting the Ind AS 116 on Group's financials are as follows:

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	₹ Mn				
Particulars	Land & Building	Cell sites	IRU	Others	Total
As at April 1, 2019	14,364	207,049	-	-	221,413
Reclass to RoU assets	1,353	-	18,585	4,576	24,514
Additions <sup>(1)</sup>	888	27,281	4,884	445	33,498
Deletions/Adjustments <sup>(2)</sup>	(177)	(10,928)	(240)	(29)	(11,374)
Depreciation expenses	(3,756)	(56,887)	(2,060)	(1,609)	(64,312)
As at March 31, 2020	12,672	166,515	21,169	3,383	203,739

<sup>(1)</sup> Additions includes addition of new leases, modification to existing lease in form of lease extension or restriction.

<sup>(2)</sup> Includes ₹ 4,020 Mn on accelerated depreciation on account of network re-alignment.



## Notes forming part of the Consolidated Financial Statements

Set out below are the carrying amounts of lease liabilities (included under lease liabilities) and the movements during the year: ₹ Mn

Particulars	Amount
<b>As at April 1, 2019</b>	<b>284,335</b>
Additions	33,218
Accretion of interest	26,152
Payments	(65,940)
Deletion	(8,973)
<b>As at March 31, 2020</b>	<b>268,792</b>
Current	104,514
Non-current	164,278

The maturity analysis of lease liabilities are disclosed in note 61.

The following are the amounts recognized in statement of profit and loss

Particulars	Year ended March 31, 2020
Depreciation	64,312
Interest expense on lease liabilities	26,152
Exceptional Items (net)	(2,172)
<b>Total amount recognized in profit and loss</b>	<b>88,292</b>

### (b) Group as lessor

The Company has leased certain Optical Fibre Cables pairs (OFC) on Indefeasible Rights of Use ("IRU") basis under operating lease arrangements. During the year, Company recognised revenue from operating lease of ₹ 375 Mn.

- 47 The Group, till February 28, 2019, had composite IT outsourcing agreements where in property, plant and equipment, computer software and services related to IT were supplied by the vendor. Such property, plant and equipment received were accounted for as finance lease. Correspondingly, such assets were recorded at fair value at the time of receipt and depreciated on the stated useful life applicable to similar IT assets of the Group. These assets have been reclassified to RoU assets on adoption of Ind AS 116 effective April 1, 2019.

### 48 DETAILS OF CURRENT INVESTMENTS

Particulars	As at March 31, 2020		As at March 31, 2019	
	Qty in ' 000 Units	₹ Value	Qty in ' 000 Units	₹ Value
Aditya Birla Sun Life Liquid Fund - Dir - Growth (formerly known as Birla Sun Life Cash Plus - Direct - Growth)	14,233	4,548	135,389	40,682
HDFC Liquid Fund - Direct - Growth	-	-	1,355	4,983
YES BANK MF - Direct - Growth	-	-	701	704
L&T Liquid Fund - Direct - Growth	-	-	333	854
Reliance Liquid Fund - Direct - Growth	-	-	878	4,006
ICICI Prudential Liquid Fund - Direct - Growth	-	-	8,397	2,321
SBI Liquid Fund - Direct - Growth	-	-	1,416	4,147
Axis Liquid Fund - Direct - Growth	-	-	556	1,153
UTI-Liquid Cash Plan - Direct - Growth	-	-	920	2,814
DSP Liquidity Fund - Direct - Growth	-	-	1,089	2,912
Invesco India Liquid Fund - Direct - Growth	-	-	396	1,020
Tata Liquid Fund - Direct - Growth	-	-	507	1,492
<b>Total</b>	<b>14,233</b>	<b>4,548</b>	<b>151,937</b>	<b>67,088</b>

## Notes forming part of the Consolidated Financial Statements

## 49 DETAILS OF FOREIGN CURRENCY EXPOSURES

## a. Hedged by a Derivative Instrument

Amount in Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	136	51
Equivalent INR of Foreign Currency Loan <sup>(1)</sup>	9,950	3,413
<b>Trade Payables and Other financial liability</b>		
Trade Payables and Other financial liability in USD	87	274
Interest accrued but not due on Foreign Currency Loans in USD	1	1
Equivalent INR of Trade Payables and Other financial liability <sup>(1)</sup>	6,576	19,989

<sup>(1)</sup> Amount in INR represents conversion at hedged rate

## b. Not hedged by a Derivative Instrument or otherwise

Amount in Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	236	411
Equivalent INR of Foreign Currency Loan <sup>(1)</sup>	17,757	28,429
<b>Trade Payables and Other financial liability</b>		
In USD	801	434
In EURO	132	69
In CHF	-*	-
In GBP	-*	-
In HUF	-*	-
In AUD	-*	-
Equivalent INR of Trade Payables and other financial liability in Foreign Currency <sup>(1)</sup>	71,369	35,391
<b>Trade Receivables</b>		
In USD	82	56
In EURO	1	1
In GBP	7	11
<b>Balances with banks-In current accounts in USD</b>	1	3
Equivalent INR of Trade Receivables and bank balances in Foreign Currency <sup>(1)</sup>	6,957	5,147

<sup>(1)</sup> Amount in INR represents conversion at closing rate

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

## 50 MOVEMENT OF ALLOWANCES FOR DOUBTFUL DEBTS/ADVANCES

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	16,912	7,792
Addition on amalgamation of VMSL and VInL (refer note 3(A))	-	6,869
Charged to Exceptional items (refer Note 42)	231	-
Charged to Statement of Profit and Loss (Net) (refer Note 40)	(1,960)	2,301
Expenses pertaining to ICISL disposed during the year	-	(48)
Allowances for doubtful debts pertaining to VMPL disclosed under Assets held for sale (refer note 43(iii))	-	(2)
<b>Closing Balance</b>	<b>15,183</b>	<b>16,912</b>

## Notes forming part of the Consolidated Financial Statements

### 51 ASSET RETIREMENT OBLIGATION

The Group installs equipment's on leased premises to provide seamless connectivity to its customers. In certain cases, the Group may have to incur some cost to remove such equipment's on leased premises. Estimated costs to be incurred for restoration is capitalised along with the assets. The movement of provision as required in Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" is given below:

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
Opening Balance	143	94
Addition on amalgamation of VMSL and VInL (refer note 3(A))	-	55
Additional provision	-	2
Unwinding of discount	27	9
Utilisation	(1)	(17)
<b>Closing Balance</b>	<b>169</b>	<b>143</b>

### 52 SEGMENT INFORMATION

The Chief Operating Decision maker primarily focusses on Mobility business in making decisions on operating matters and on allocating resources in evaluating performance. Accordingly, the Group now operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segment.

### 53 SHARE BASED PAYMENTS

#### a) Employee stock option plan - options granted by Vodafone Idea Limited

The Group has granted stock options under the employee stock option scheme (ESOS) 2006 and stock options as well as restricted stock units (RSU's) under ESOS 2013 to the eligible employees of the Company and its subsidiaries from time to time. These options, subject to fulfilment of vesting conditions, would vest in 4 equal annual installment after one year of the grant and the RSU's will vest after 3 years from the date of grant. The maximum period for exercise of options and RSU's is 5 years from the date of vesting. Each option and RSU when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the Company. The options granted under ESOS 2006 and options as well as RSUs granted under the ESOS 2013 scheme carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the options/RSU's during the year ended March 31, 2020 and March 31, 2019. During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOS 2013. As at year ended March 31, 2020 and March 31, 2019, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
<b>i) Options granted under ESOS 2006</b>				
Options outstanding at the beginning of the year	177,626	68.86	526,677	63.90
Options exercised during the year	-	-	19,087	57.77
Options cancelled during the year	8,063	68.86	33,387	59.20
Options expired during the year	169,563	68.86	296,577	61.84
Options outstanding at the end of the year	-	-	177,626	68.86
Options exercisable at the end of the year	-	-	177,626	68.86
Range of exercise price of outstanding options (₹)	-	-	68.86 - 68.86	-
Remaining contractual life of outstanding options (months)	-	-	10	-
<b>ii) Options granted under ESOS 2013</b>				
Options outstanding at the beginning of theyear	12,524,154	126.46	13,096,614	126.35
Options cancelled during the year	600,438	127.23	572,460	124.01
Options expired during the period	3,483,163	126.45	-	-
Options outstanding at the end of the year	8,440,553	126.41	12,524,154	126.46
Options exercisable at the end of theyear	8,349,538	126.59	12,169,350	126.83
Range of exercise price of outstanding options (₹)	110.45 - 150.10	-	110.45 - 150.10	-
Remaining contractual life of outstanding options (months)	24	-	30	-

## Notes forming part of the Consolidated Financial Statements

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
iii) <b>RSU's granted under ESOS 2013</b>				
RSU's outstanding at the beginning of the year	1,295,020	10.00	2,394,656	10.00
RSU's exercised during the year	-	-	1,018,848	10.00
RSU's cancelled during the year	11,361	10.00	80,788	10.00
RSU's outstanding at the end of the year	1,283,659	10.00	1,295,020	10.00
RSU's exercisable at the end of the year	1,283,659	10.00	1,156,785	10.00
Range of exercise price of outstanding RSU's (₹)	10.00		10.00	
Remaining contractual life of outstanding RSU's (months)	31		43	

The weighted average share price at the date of exercise of RSU's exercised during the year ended March 31, 2019 was ₹ 52.

The fair value of each option and RSU is estimated on the date of grant / re-pricing based on the following assumptions:

Particulars	ESOS 2006					
	On the date of Grant				On the date of re-pricing	
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II
	(31/12/07)	(24/07/08)	(22/12/09)	(24/01/11)	(21/12/09)	(21/12/09)
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	4 yrs 6 months	5 yrs 9 months
Risk free interest rate (%)	7.78	7.5	7.36	8.04-8.14	7.36	7.36
Volatility (%)	40	45.8	54.54	50.45	54.54	54.54
Market price on date of grant/re-pricing (₹)	131.3	91.95	57.55	68.86	57.05	57.05
Fair Value <sup>(1)</sup>	68.99	48.25	31.34	37.47	18.42	10.57

<sup>(1)</sup> As on the date of transition from IGAAP to Ind AS on April 1, 2015, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	(11/02/14)	(29/12/14)	(21/1/16)	(11/2/17)
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months
Risk free interest rate (%)	8.81 – 8.95	8.04 – 8.06	7.42 – 7.66	6.68 – 7.03
Volatility (%)	34.13 – 44.81	34.28 – 42.65	34.24 – 35.33	36.37 – 38.87
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	60.51 <sup>^</sup>	66.27	48.97	46.39

<sup>^</sup>As on the date of transition from IGAAP to Ind AS on April 1, 2015, first installment of the grant were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

## Notes forming part of the Consolidated Financial Statements

Particulars	ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.91	8.05	7.60	6.94
Volatility (%)	43.95	35.66	34.24	37.21
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	118.70	140.41	107.71	100.40

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

### b) Employee stock option plan – options granted by Vodafone Group Plc

#### i. Global Long Term Incentive ("GLTI"):

GLTI is a restricted share plan granted to incentivise delivery of sustained performance over the long term plan to selected employees of the Group. In addition to the 3 years vesting conditions, options of certain schemes would depend on achievement of the performance conditions of the Group and Vodafone Group Plc. The plans are administered by Vodafone Group Plc. and the information disclosed is to the extent available.

#### ii. Global Long Term Retention ("GLTR"):

GLTR plan is a restricted share plan granted as a retention tool to selected employees in the middle management. The options vest in 3 years/2 years after the grant date provided the employees remain in the continued employment of the Group during the vesting period.

#### iii. Vodafone Global Incentive Plan ("VGIP"):

VGIP is a restricted plan granted as an investment plan to senior management. These options vest in 3 years after the grant date provided the employee remains in the continued employment of the Group during the vesting period. The vesting of these options were subject to satisfaction of performance conditions of the Group and Vodafone Group Plc. and market based condition, based on total shareholder return (TSR), which is taken into account when calculating the fair value of share awards. The valuation for the TSR is based on Vodafone's ranking within the same group of companies, where possible over the past five years.

As at year ended March 31, 2020 and March 31, 2019, details and movements of the outstanding options are as follows:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>i) Options granted under GLTI / GLTR</b>	<b>No. of Options</b>	<b>No. of Options</b>
Options outstanding at the beginning of the year	12,288,698	13,868,024
Options granted during the period	344,048	-
Options forfeited during the period	667,580	1,118,914
Options cancelled during the year *	4,186,005	-
Options exercised during the period	4,628,925	460,412
Options outstanding at the end of the year	3,150,236	12,288,698
Options exercisable at the end of the year	3,150,236	12,288,698
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	5	12

## Notes forming part of the Consolidated Financial Statements

Particulars	As at March 31, 2020	As at March 31, 2019
<b>ii) Options granted under VGIP</b>		
Options outstanding at the beginning of the year	1,702,228	1,702,228
Options granted during the period	-	-
Options forfeited during the period	495,427	-
Options exercised during the period	331,108	-
Options outstanding at the end of the year	875,693	1,702,228
Options exercisable at the end of the year	875,693	1,702,228
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	4	10

\* Options cancelled and replaced with LTIP scheme

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Liability at the end of year ended March 31, 2020 is 375 Mn (March 31, 2019 is INR 1,084 Mn.)

Fair value of option is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date.

The fair value of each option is mentioned below:

Particulars	Grant date	Expected life	Market price on date of grant/ re-pricing (₹)	Fair Value on the date of grant (₹)
	30/06/16	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	196	196
	18/11/16	3 years continuous employment for GLTR	173	173
	17/02/17	3 years continuous employment for GLTR	166	166
	26/06/17	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	183	183
GLTI / GLTR	17/11/17	1.6 Years continuous employment for GLTR	197	192
	16/02/18	2 years to 2.4 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	179	179
	26/06/18	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	166	166
	26/06/19	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	110	110
	30/06/16 <sup>(1)</sup>	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	196	151
VGIP	04/08/17 <sup>(2)</sup>	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	91
	04/08/17	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	188

<sup>(1)</sup> Vesting percentage: 77.20%

<sup>(2)</sup> Vesting percentage: 48.30%

## 54 EMPLOYEE BENEFITS

### A. Defined Benefit Plan (Gratuity)

#### General description and benefits of the plan

The respective companies in the Group operate a defined benefit final salary gratuity plan through a trust. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The benefit is payable on termination of service or retirement, whichever is earlier. The employees do not contribute towards this plan and the full cost of providing these benefits are borne by the Group.



## Notes forming part of the Consolidated Financial Statements

### Regulatory framework, funding arrangement and governance of the Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Group and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Group is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Group's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-a-vis settlements. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

### Inherent risks

The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The following tables summarize the components of net benefit expense recognized in the Consolidated Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for gratuity:

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
<b>Amount recognised in Balance Sheet</b>		
Present value of obligations as at the end of the year	2,087	1,989
Fair value of plan assets as at the end of the year	379	678
Net Funded Obligation	1,708	1,311
Present value of unfunded obligations	1,369	1,232
Net Asset/(Liability) recognised in Balance Sheet	(3,077)	(2,543)
Net Asset/(Liability) recognised in Balance Sheet is bifurcated as		
- Long term provision	(2,751)	(2,339)
- Short term provision	(326)	(163)
- Liabilities classified as held for sale	-	(41)

Sr. No	Particulars	₹ Mn	
		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>1</b>	<b>Reconciliation of Net Defined Benefit Obligation</b>		
	Opening Net Defined Benefit liability/(asset)	2,543	1,553
	Net Liabilities assumed on amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	1,268
	Expense charged to statement of profit & loss	575	558
	Income credited to OCI	281	(500)
	Employer contributions	(9)	(24)
	Benefits Paid	(294)	(245)
	Liabilities assumed/(settled) <sup>(1)</sup>	(24)	(29)
	Impact of Divestiture	5	(38)
	<b>Closing Net Defined Benefit liability/(asset)</b>	<b>3,077</b>	<b>2,543</b>

## Notes forming part of the Consolidated Financial Statements

Sr. No	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>2</b>	<b>Reconciliation of Defined Benefit Obligation</b>		
	Opening Defined Benefit Obligation	3,220	2,348
	Liabilities assumed on amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	1,366
	Current Service cost	396	389
	Interest on Defined Benefit Obligation	227	233
	Actuarial (Gain)/Loss arising from change in financial assumptions	226	189
	Actuarial (Gain)/Loss arising from change in demographic assumptions	5	(274)
	Actuarial (Gain)/Loss arising on account of experience changes	44	(427)
	Benefits paid	(638)	(529)
	Liabilities assumed/(settled) <sup>(1)</sup>	(24)	(29)
	Liabilities transferred on account of Divestiture	-	(46)
	<b>Closing Defined Benefit Obligation</b>	<b>3,456</b>	<b>3,220</b>
<b>3</b>	<b>Reconciliation of plan assets</b>		
	Opening fair value of plan assets	678	795
	Assets acquired on amalgamation of VMSL and VInL with the Company (refer note 3(A))	-	98
	Employer contributions	9	24
	Interest on plan assets	48	64
	Re measurements due to		
	- Actual return on plan assets less interest on plan assets	(6)	(11)
	Benefits paid	(345)	(284)
	Assets transferred on account of Divestiture	(5)	(8)
	<b>Closing fair value of plan assets</b>	<b>379</b>	<b>678</b>

<sup>(1)</sup> On account of inter group transfer.

Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:

₹ Mn

Sr. No	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>1</b>	<b>Expenses Recognised in the Statement of Profit &amp; Loss</b>		
	Current Service cost	396	389
	Interest on Net Defined Benefit liability/(asset)	179	169
	Expenses recognised in the Statement of Profit & Loss	575	558
<b>2</b>	<b>Amount recorded as Other Comprehensive Income (OCI)</b>		
	Re measurement during the year due to		
	- Changes in financial assumptions	226	189
	- Changes in demographic assumptions	5	(274)
	- Experience adjustments	44	(427)
	- Return on plan assets (excluding amounts included in net interest expense)	6	11
	Remeasurement gain recognised in OCI	281	(501)

## Notes forming part of the Consolidated Financial Statements

The principal assumptions used in determining gratuity obligations are shown below:

Particular	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.65%	7.50%
Future salary increases <sup>(1)</sup>	8.00%	8.00%
Attrition rate	30 years & below - 30% 31-40 years - 15% 41 years & above - 8%	30 years & below - 30% 31-40 years - 15% 41 years & above - 8%
Mortality rate during employment	As per Indian Assured Lives Mortality (2012-14) Table	As per Indian Assured Lives Mortality (2006-2014) Ult Table
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.	

<sup>(1)</sup>The estimates of future salary increase considered takes into account inflation, seniority, promotion and other relevant factors.

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as below:

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	(3.88%)	4.02%	(3.74%)	3.93%
Impact of decrease in 50 bps on DBO	4.16%	(3.80%)	3.99%	(3.72%)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Within the next 12 months	320	158

Disaggregation details of plan assets (% allocation):

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Insurer Managed Funds <sup>(1)</sup>	370	668
Bank balances	9	7

<sup>(1)</sup>The funds are managed by Insurers and they do not provide breakup of plan assets by investment type.

### Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Expected benefits for year 1	328	407
Expected benefits for year 2	297	305
Expected benefits for year 3	283	339
Expected benefits for year 4	264	307
Expected benefits for year 5 and above	3,766	5,189

The average duration of the defined benefit plan obligation at the end of the reporting year is 7.02 years - 10.97 years (March 31, 2019: 7.72 years - 11.66 years).

## Notes forming part of the Consolidated Financial Statements

### B. Defined contribution plans:

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

₹ Mn

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employers' contribution to provident and other fund	916	843
Employers' contribution to superannuation fund	84	100

C. The Company operates its gratuity superannuation plan through separate trust which is administered and managed by the Trustees. As on March 31, 2020 and March 31, 2019, the contribution towards the plans have been invested in Insurer Managed funds and bank balance.

### 55 INCOME TAX EXPENSES

#### (a) Major components of tax expense

₹ Mn

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current Tax</b>		
Current Tax on profits for the year	4	182
<b>Total Current Tax Expense (A)</b>	4	182
<b>Deferred Tax</b>		
Relating to addition & reversal of temporary differences	120,807	(49,021)
Relating to derecognition of tax credits	-	13,124
Relating to change in tax rate	-	-
<b>Total Deferred Tax Expense (B)</b>	120,807	(35,897)
<b>Total Tax Expense (A+B)</b>	120,811	(35,715)
<b>Income tax effect of re-measurement gains on defined benefit plans taken to other comprehensive income</b>	193	(178)

#### b) Reconciliation of average effective tax rate and applicable tax rate

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss before income tax expense (₹ Mn)	(617,970)	(181,754)
<b>Applicable Tax Rate</b>	34.94%	34.94%
Increase / reduction in taxes on account of:		
Effect of unrecognised business loss including reversal of previously recognised DAT on business losses	-55.57%	-7.51%
Effect of derecognition of tax credits	0.00%	-7.22%
Effect of share of profits in JV / Associates	0.20%	0.38%
Effects of expenses / income that are not deductible / considered in determining the taxable profits	-0.08%	-0.67%
Effect of transfer of fibre undertaking	0.93%	0.00%
Effect of different tax rate	-0.05%	-0.09%
Effect of change in tax rate	0.00%	0.00%
Effect of undistributed retained earnings of JV	0.08%	-0.23%
Other Items	0.00%	0.05%
<b>Effective Tax Rate</b>	<b>-19.55%</b>	<b>19.65%</b>

(c) During the year ended March 31, 2020, the Group has reassessed recognition of deferred tax assets on carry forward losses, unabsorbed depreciation and MAT credit based on its revised business plan. Accordingly, the Group has de-recognised the deferred tax assets of ₹ 120,807 Mn (including DTA recognised on transition of Ind AS 116). During the year ended March 31, 2019, the Group has de-recognised the deferred tax assets in respect of MAT credit of ₹ 13,124 Mn.

(d) The Group has not recognized deferred tax assets in respect of certain carried forward tax losses / capital losses / temporary differences of ₹ 1,043,561 Mn as of March 31, 2020. Of this, ₹ 579,037 Mn is towards unabsorbed depreciation and does not have any limitation / expiry period and the balance amount of ₹ 464,524 Mn will lapse beyond a period of 5 years. Further, the Group

## Notes forming part of the Consolidated Financial Statements

has also not recognised deferred tax on MAT credit of ₹ 25,699 Mn, of which ₹ 2,631 Mn is expiring within 0-5 years, ₹ 15,563 Mn is expiring within 5-10 years and ₹ 7,504 Mn is expiring beyond 10 years.

### 56 MOVEMENT IN DEFERRED TAX

₹ Mn

Particulars	As at April 1, 2018	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3(A))	Recognised in				As at March 31, 2019	Recognised in			As at March 31, 2020
			Profit and Loss	OCI	Other equity	AHFS (refer note 43 (iii))		Profit and Loss	OCI	Other Equity (refer note 2(D)(a))	
<b>Liabilities</b>											
Depreciation & Amortisation (including RoU Assets)	65,967	89,425	12,362	-	-	(55)	167,699	(26,619)	-	77,533	218,613
Effects of remeasuring financial instruments under Ind AS	589	446	(624)	-	-	(2)	409	2,449	-	-	2,858
Undistributed retained earning of JV	659	-	425	-	(613)	-	471	(471)	-	-	-
Others	-	145	(25)	-	-	-	120	(120)	-	-	-
<b>Total (A)</b>	<b>67,215</b>	<b>90,016</b>	<b>12,138</b>	<b>-</b>	<b>(613)</b>	<b>(57)</b>	<b>168,699</b>	<b>(24,761)</b>	<b>-</b>	<b>77,533</b>	<b>221,471</b>
<b>Assets</b>											
Tax Losses	61,042	134,446	54,183	-	-	-	249,671	(128,278)	-	(4,332)	117,061
Expenses allowable on Payment Basis	1,842	8,442	(2,299)	(178)	-	(1)	7,806	(3,070)	193	-	4,929
Provisions for doubtful debts/ advances (including lease liability)	2,571	2,377	8,797	-	-	(17)	13,728	(13,885)	-	99,251	99,094
MAT credit	13,124	-	(13,124)	-	-	-	-	-	-	-	-
Others	34	(87)	478	-	-	(12)	413	(335)	-	291	369
<b>Total (B)</b>	<b>78,613</b>	<b>145,178</b>	<b>48,035</b>	<b>(178)</b>	<b>-</b>	<b>(30)</b>	<b>271,618</b>	<b>(145,568)</b>	<b>193</b>	<b>95,210</b>	<b>221,453</b>
<b>Net Deferred Tax Liabilities/ (assets) (A-B)</b>	<b>(11,398)</b>	<b>(55,162)</b>	<b>(35,897)</b>	<b>178</b>	<b>(613)</b>	<b>(27)</b>	<b>(102,919)</b>	<b>120,807</b>	<b>(193)</b>	<b>(17,677)</b>	<b>18</b>
<b>As per Financials :</b>											
Deferred Tax Asset	12,052	-	-	-	-	-	103,385	-	-	-	20
Deferred Tax Liabilities	659	-	-	-	-	-	471	-	-	-	38

### 57 BASIC & DILUTED EARNINGS / (LOSS) PER SHARE

Particulars	For the year ended March 31, 2020	For the Year ended March 31, 2019
Nominal value of per equity share (₹)	10/-	10/-
Profit/(Loss) after Tax <sup>(1)</sup> (₹ Mn)	(739,049)	(146,286)
Profit/(Loss) attributable to equity shareholders <sup>(1)</sup> (₹ Mn)	(739,049)	(146,286)
Weighted average number of equity shares outstanding during the period	27,115,334,543	8,521,238,184
Basic earnings per share <sup>(2)</sup> (₹)	(27.26)	(17.17)
Dilutive effect on weighted average number of equity shares outstanding during the period	*	*
Weighted average number of diluted equity shares	27,115,334,543	8,521,238,184
Diluted earnings per share <sup>(2)</sup> (₹)	(27.26)	(17.17)

<sup>(1)</sup> Adjusted for Group's share of additional depreciation debited to other equity by joint venture pursuant to scheme.

<sup>(2)</sup> Basic and diluted earnings/(loss) per share for the year ended March 31, 2019, have been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended March 31, 2020.

\*As the Group has incurred loss during the year ended March 31, 2020, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

## Notes forming part of the Consolidated Financial Statements

### 58 RELATED PARTY TRANSACTIONS

The related parties where control, joint control and significant influence exists are subsidiaries, joint venture and associates respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

Relationship	Related Party
Associate	Aditya Birla Idea Payments Bank Limited
Joint Venture (JV)	Indus Towers Limited
	Firefly Networks Limited (effective from August 31, 2018)
Promoter Group	Grasim Industries Limited
	Hindalco Industries Limited
	Euro Pacific Securities Limited (effective from August 31, 2018)
	Prime Metals Limited (effective from August 31, 2018)
	Mobilvest (effective from August 31, 2018)
	Vodafone Telecommunications (India) Limited (effective from August 31, 2018)
	Omega Telecom Holdings Private Limited (effective from August 31, 2018)
	Telecom Investment India Private Limited (effective from August 31, 2018)
	Asian Telecommunications Investments (Mauritius) Limited (effective from August 31, 2018)
	Al-Amin Investments Limited (effective from August 31, 2018)
	Jaykay Finholding (India) Private Limited (effective from August 31, 2018)
	CCII (Mauritius) Inc (effective from August 31, 2018)
	Usha Martin Telematics Private Limited (effective from August 31, 2018)
	Pilani Investment And Industries Corporation Limited
	Elaine Investments PTE Limited
	Oriana Investments PTE Limited
	Birla TMT Holdings Private Limited
	IGH Holdings Private Limited
	Trans Crystal Limited (effective from August 31, 2018)
	Aditya Birla PE Advisors Private Limited (formerly Aditya Birla Capital Advisors Private Limited)
	Aditya Birla Finance Limited
	Aditya Birla Capital Limited (formerly Aditya Birla Financial Services Limited)
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Health Insurance Company Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Management Corporation Private Limited (effective from August 31, 2018)
Aditya Birla Money Limited	
Aditya Birla Money Mart Limited (ABMML)	
Aditya Birla Wellness Private Limited	
Aditya Birla Capital Technology Services Ltd [formerly Aditya Birla MyUniverse Limited (wholly owned subsidiary of Aditya Birla Capital Limited w.e.f. 28th June 2019 )]	
Aditya Birla Renewables Limited	
Aditya Birla Science & Technology Company Private Limited	
Birla Brothers Private Limited	
Axiata Group Berhad (ceased from August 16, 2018)	

Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]



## Notes forming part of the Consolidated Financial Statements

Relationship	Related Party
Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]	Axiata Investments 1 India Limited (ceased from August 16, 2018)
	Axiata Investments 2 India Limited (ceased from August 16, 2018)
	Birla Institute of Technology and Science Company
	Aditya Birla Sun Life AMC Limited (formerly Birla Sun Life Asset Management Company Limited)
	Aditya Birla Sun Life Insurance Company Limited (formerly Birla Sun Life Insurance Company Limited)
	Celcom Axiata Berhad (ceased from August 16, 2018)
	Cable & Wireless Networks India Private Limited (effective from August 31, 2018)
	Cable & Wireless Worldwide Limited (effective from August 31, 2018)
	Cable and Wireless (India) Limited (effective from August 31, 2018)
	Emirates Cement Bangladesh Ltd., Bangladesh (ceased to be a subsidiary w.e.f 02.12.2019)
	Gotan Lime Stone Khanij Udyog Private Limited
	Harish Cement Limited
	Hindalco-Almex Aerospace Limited
	Star Super Cement Industry LLC, UAE (formerly Binani Cement Factory LLC, UAE)
	Vodafone Global Network Limited (effective from August 31, 2018)
	Dialog Axiata PLC- Sri Lanka. (ceased from August 16, 2018)
	Ncell Private Limited (ceased from August 16, 2018)
	PT. XL Axiata, Tbk (ceased from August 16, 2018)
	Robi Axiata Limited (ceased from August 16, 2018)
	Smart Axiata Co. Ltd (ceased from August 16, 2018)
	Vodafone Enterprise Luxembourg S.A (effective from August 31, 2018)
	Ultratech Cement Limited
	Vodafone Limited (effective from August 31, 2018)
	Vodafone Enterprise Global Limited (effective from August 31, 2018)
	Vodafone India Services Private Limited (effective from August 31, 2018)
	Vodafone Network Pty Limited (effective from August 31, 2018)
	Vodafone New Zealand Limited (effective from August 31, 2018)
	Vodafone International Services LLC (effective from August 31, 2018)
	Vodafone Libertel B.V. (effective from August 31, 2018)
	Vodafone Telekomunikasyon A.S (effective from August 31, 2018)
	Vodafone GmbH (effective from August 31, 2018)
	Vodafone Italia S.P.A. (effective from August 31, 2018)
	Vodafone Ireland Limited (effective from August 31, 2018)
	Vodafone Espana S.A.U. (effective from August 31, 2018)
	Vodacom (Pty) Limited (effective from August 31, 2018)
	Vodafone-Panafon Hellenic Telecommunications Company S.A. (effective from August 31, 2018)
	Vodafone Romania S.A (effective from August 31, 2018)
	Vodafone Magyarorszag (ZRT) (effective from August 31, 2018)
	Vodacom Lesotho (Pty) Limited (effective from August 31, 2018)
	Vodafone Albania Sh.A (effective from August 31, 2018)
Vodafone Czech Republic A.S. (effective from August 31, 2018)	
Vodafone Enterprise Europe (UK) Limited (effective from August 31, 2018)	
Vodafone US Inc. (effective from August 31, 2018)	
Safaricom PLC (effective from August 31, 2018)	

## Notes forming part of the Consolidated Financial Statements

Relationship	Related Party
Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]	Vodafone Portugal Comunicacoes Pessoais, S.A. (effective from August 31, 2018)
	Vodafone Malta Limited (effective from August 31, 2018)
	Vodafone Net Iletisim Hizmetleri A.S. (effective from August 31, 2018) (formerly Vodafone Alternatif Telekom Hizmetleri A.S.)
	Vodacom Tanzania PLC. (effective from August 31, 2018)
	Vodacom Congo (RDC) S.A. (effective from August 31, 2018)
	Ghana Telecommunications Company Limited (effective from August 31, 2018)
	Vodafone Group Services Limited (effective from August 31, 2018)
	VM, SA (Vodafone Mozambique) (effective from August 31, 2018)
	Vodafone Enterprise Singapore Pte.Ltd (effective from August 31, 2018)
	Vodafone Global Enterprise Limited (effective from August 31, 2018)
	LLC Vodafone Enterprise Ukraine (effective from August 31, 2018)
	Vodafone Egypt Telecommunications S.A.E. (effective from August 31, 2018)
	Vodafone Roaming Services S.À R.L (effective from August 31, 2018)
	Vodafone Procurement Company S.À R.L (effective from August 31, 2018)
	Vodacom Group Limited (effective from August 31, 2018)
	Cable & Wireless GN Limited (effective from August 31, 2018)
Cable & Wireless Global (India) Private Limited (effective from August 31, 2018)	
Key Management Personnel (KMP)	Smt. Rajashree Birla (ceased from August 31, 2018)
	Mr. Kumar Mangalam Birla
	Mr. Akshaya Moondra
	Mrs. Alka Bharucha (ceased from March 31, 2018)
	Mr. Arun Thiagarajan
	Mr. Himanshu Kapania
	Mr. Pejavar Murari (ceased from August 31, 2018)
	Mr. Baldev Raj Gupta (ceased from August 31, 2018)
	Mr. Sanjeev Aga (ceased from August 31, 2018)
	Ms. Tarjani Vakil (Ceased from September 17, 2018)
	Mr. Balesh Sharma (ceased as CEO effective August 19, 2019)
	Mr. Ravinder Takkar (effective from August 31, 2018, Managing Director effective from August 19, 2019)
	Smt. Neena Gupta (effective from September 17, 2018)
	Mr. Arun Adhikari (effective from August 31, 2018)
	Mr. Uday Khanna (from August 31, 2018 till September 28, 2018)
	Mr. Ashwani Windlass (effective from August 31, 2018)
	Dr. Shridhir Sariputta Hansa Wijaysriya (Representative of Axiata and ceased from March 30, 2018)
	Mr. Mohan Gyani (ceased from August 31, 2018)
	Mr. Krishnan Ramachandran (effective from December 27, 2018)
	Mr. Suresh Vaswani (effective from February 8, 2019)
Mr. Douglas Baillie ( from August 31, 2018 till November 14, 2018)	
Others	Breach Candy Hospital and Research Centre (ceased from August 31, 2018)
	G.D Birla Medical Research & Education Foundation
	Bhubaneshwari Coal Mining Limited (ceased from August 31, 2018)
	Svatantra Microfin Private Limited
	Interglobe hotels private limited

## Notes forming part of the Consolidated Financial Statements

Relationship	Related Party
Trust <sup>(1)</sup>	Vodafone Idea Limited Employees Group Gratuity Fund (formerly ICL Employee's Group Gratuity Scheme)
	Vodafone Idea Limited Employees Superannuation Scheme (formerly ICL Employee Superannuation Scheme)
	Vodafone Idea Manpower Services Limited Employees Group Gratuity Scheme (formerly Idea Cellular Services Limited Employee's Gratuity Scheme)
	Hutchison Max Telecom Limited Superannuation Fund (effective from August 31, 2018)

<sup>(1)</sup>Transaction with trust includes contribution to provident fund, pension, gratuity and superannuation funds and refer note 54 for information on transaction with post-employment benefit plans mentioned above.

## A. Transactions with Related Parties for the period ended March 31, 2020 and March 31, 2019

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter	Others
Sale of service	1 (2)	2,470 (1,352)	11 (7)	- -*	28 -	- (7)
Purchase of service	-* -	9,282^^ (4,826)^^	80,093^ (77,185)^	- -	- -	- (55)
Remuneration <sup>(1)</sup>	- -	- -	- -	79 (160)	- -	- -
Commission	- -*	- -	- -	- -	- -	- -
Non-Compete Fees Expense	- -	- -	- -	- (6)	- -	- -
Director's sitting fees paid	- -	- -	- -	10 (4)	- -	- -
Expense incurred on behalf of	- -	130 (65)	- -	- -	- -	- -
Expense incurred on company's behalf by	- -	103 (73)	- -	- -	- -	- -
Proceeds of Right Issue	- -	- -	- -	8 -	179,199 -	- -
Liquidation Expenses	98 -	- -	- -	- -	- -	- -
Investments	- (571)	- -	- -	- -	- -	- -
Sale of Fixed Assets	- -*	- (4)	- -	- -	- -	- -
Insurance premium (including advance given)	- -	197 (159)	- -	- -	- -	- -
Dividend received	- -	- -	- (2,990)	- -	- -	- -
Donations received	- -	62 (50)	198 (120)	- -	-* (1)	- -
Interest Income on loan given	- -	- -	1 -*	- -	- -	- -

## Notes forming part of the Consolidated Financial Statements

## B. Balances with Related Parties

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter	Others
Trade and Other Receivables	1	1,336	9	-	8	-
	(1)	(1,345)	(4)	-	-	-
Trade and Other Payables	24	16,071	34,550	-	-	-
	(25)	(6,440)	(37,450)	-	-	(1)
Lease Liability (included in Other non-current financial liabilities and Other current financial liabilities)	-	-	120,559~	-	-	-
	-	-	-	-	-	-
Deposits Given (included in Other Non-Financial Assets)	-	-	1,000	-	-	-
	-	-	(1,000)	-	-	-
Other Current Assets (included in Other Current Financial Assets)	-	82	-	-	-	-
	-	(169)	-	-	-	-
Remuneration payable	-	-	-	2	-	-
	-	-	-	(44)	-	-
Prepaid Expenses	-	-	484	-	-	-
	-	-	(793)	-	-	-
Other receivable	-	-	1,224	-	-	-
	-	-	(1,224)	-	-	-
Outstanding loan receivable	-	-	8	-	-	-
	-	-	(8)	-	-	-

(Figures in bracket are for the year ended March 31, 2019)

<sup>(1)</sup>Excludes charge taken towards share based payments and LTIP. During the year, no remuneration is paid to Mr. Ravinder Takkar from VIL and neither is any amount charged back to the Company by any other entity towards his remuneration.

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

^Includes amounts accrued on account of onerous contract (Site Exits) involving invoicing and settlements over a 3 years period.

^^Includes ₹ 5,395 Mn and ₹ 2,259 Mn (₹ 3,158 Mn and ₹ 1,422 Mn as of March 31, 2019) towards Business Support Services availed from Vodafone Group Services Ltd and Aditya Birla Management Corporation Private Limited, respectively.

~ Lease liability includes amount for services availed till March 31, 2020 and for services to be received in future which is payable over the lease period. The same has been created pursuant to adoption of Ind AS 116.

**Note:**

(i) Above excludes any cash inflow/outflow that could possibly arise from the settlement of certain outstanding disputes pertaining to the period until May 31, 2018 pursuant to the implementation agreement entered between the Company and VInL shareholders (refer note 3(B)). As on March 31, 2020, the Company has recognised a settlement asset of ₹ 83,687 Mn as at March 31, 2020 (settlement liabilities of ₹ 20,886 Mn as at March 31, 2019) towards the same.

## C. Commitments with Related Parties

The group has lease commitments towards its joint venture amounting to ₹ Nil Mn (March 31, 2019 : ₹ 227,183 Mn)

## D. Compensation of Key Management Personnel of the Company

₹ Mn

Particulars	March 31, 2020	March 31, 2019
Short-term employee benefits	77	156
Post-employment benefits <sup>(1)</sup>	2	4
Share-based payment transactions	11	15

<sup>(1)</sup>Represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

## Notes forming part of the Consolidated Financial Statements

59 The Company is one of the members of Aditya Birla Management Corporation Private Limited ('ABMPCL'), a Company limited by guarantee, which has been formed to provide common pool of facilities and resources to its members with a view to optimise the benefits of specialisation and minimize cost to each member. The Company's share of expenses incurred under the common pool has been accounted for at actuals in the respective heads in the Consolidated Statement of Profit and Loss. Further, the Company has entered into a recharge agreement with ABMPCL pursuant to amalgamation of VMSL and VinL with the Company effective August 31, 2018.

### 60 FINANCIAL INSTRUMENTS

a) **Financial Instruments by Category:** The following table provides categorisation of all financial instruments at carrying value except non-current investments in joint ventures and associate.

₹ Mn

Particulars	As at March 31, 2020		As at March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Current Investments	4,548	-	67,088	-
Trade Receivables	-	30,943	-	33,000
Loans to joint venture and others	-	11	-	27
Cash and cash equivalents	-	3,708	-	8,428
Bank balance other than cash and cash equivalents	-	17,193	-	1,480
Margin Money Deposits <sup>(1)</sup>	-	8,367	-	-
Settlement assets <sup>(1)</sup> (refer note 3(B))	-	83,687	-	-
Deposit with Body Corporates, Government Authorities and Others <sup>(1)</sup>	-	15,672	-	9,155
Interest receivable <sup>(1)</sup>	-	1,146	-	21
Derivative Financial Assets <sup>(1)</sup>	822	-	247	-
Others <sup>(1)</sup>	-	1,525	-	1,619
<b>Total Financial Assets</b>	<b>5,370</b>	<b>162,252</b>	<b>67,335</b>	<b>53,730</b>

₹ Mn

Particulars	As at March 31, 2020		As at March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Liabilities</b>				
Fixed Rate Borrowings including Interest accrued but not due	-	1,053,748	-	1,159,595
Floating Rate Borrowings including Interest accrued but not due	-	157,288	-	162,984
Trade Payables	-	124,294	-	135,166
Payables for Capital Expenditure <sup>(2)</sup>	-	91,205	-	73,186
Accrual towards One Time Spectrum Charges (OTSC) (refer note 43(viii))	-	38,871	-	-
Derivative Financial Liabilities <sup>(2)</sup>	-	-	819	-
Security Deposits from Customers and Others <sup>(2)</sup>	-	4,426	-	5,089
Settlement liability <sup>(2)</sup> (refer note 3(B))	-	-	-	83,923
Lease liabilities <sup>(2)</sup>	-	268,792	-	-
Others <sup>(2)</sup>	4	-	-	-
<b>Total Financial Liabilities</b>	<b>4</b>	<b>1,738,624</b>	<b>823</b>	<b>1,619,943</b>

<sup>(1)</sup> included in other current / non-current financial assets

<sup>(2)</sup> included in other current / non-current financial liabilities

## Notes forming part of the Consolidated Financial Statements

### b) Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

#### i. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2020

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current Investments	4,548	-	-	4,548
Derivative Financial Assets	-	822	-	822
<b>Total Financial Assets</b>	<b>4,548</b>	<b>822</b>	-	<b>5,370</b>
<b>Financial Liabilities</b>				
Others	-	4	-	4
<b>Total Financial Liabilities</b>	-	<b>4</b>	-	<b>4</b>

#### ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2019

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current Investments	67,088	-	-	67,088
Derivative Financial Assets	-	247	-	247
<b>Total Financial Assets</b>	<b>67,088</b>	<b>247</b>	-	<b>67,335</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	819	-	819
Others	-	4	-	4
<b>Total Financial Liabilities</b>	-	<b>823</b>	-	<b>823</b>

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

#### a) Financial Assets

- Trade Receivables
- Loans
- Cash and Cash equivalents
- Bank balance other than cash and cash equivalents
- Margin Money Deposits
- Deposit with Body Corporates, Government Authorities and Others
- Interest Receivable
- Settlement assets
- Others

#### b) Financial Liabilities

- Floating Rate Borrowings including Interest accrued but not due
- Trade Payables
- Payable for capital expenditure
- Accrual towards One Time Spectrum Charges
- Security Deposits from Customers and Others
- Settlement liability
- Lease Liabilities



## Notes forming part of the Consolidated Financial Statements

### iv. Fair value hierarchy of financial liabilities measured at amortised cost is below:

₹ Mn

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Fixed rate borrowings including interest accrued but not due <sup>(1)</sup> :					
As at March 31, 2020	1,053,748	-	1,101,838	-	1,101,838
As at March 31, 2019	1,159,595	-	1,212,720	-	1,212,720

<sup>(1)</sup>Includes Deferred Payment Liability, NCD and others.

### v. Assets for which fair value is disclosed

The fair values and carrying values of the Group's Investment Property held at amortised cost are set out in the table below (unless otherwise stated, the valuation basis is level 2).

₹ Mn

Particulars	Fair Value	Carrying Value
	As at March 31, 2020	As at March 31, 2020
Investment Property (refer note 8)	1,080	660
<b>Total</b>	<b>1,080</b>	<b>660</b>

There were no changes made during the year to valuation methods or the processes to determine classification of level. Level 2 classification comprises items where fair value is determined from inputs other than quoted prices that are observable for the Investment Property.

#### Valuation Technique used to determine fair value:

Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments such as forward, interest rate swap and cross currency swaps with various counterparties. The fair value of such derivatives instruments are determined using forward exchange rates, currency basis spreads between respective currencies and interest rate curves.

## 61 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, derivative liabilities, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets comprise investments, cash and bank balance, trade and other receivables. The Group also enters into derivative transactions such as foreign forward exchange contracts, Interest rate swaps as a part of Group's financial risk management policies. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Group is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Group's senior management comprising of a team of qualified finance professionals with appropriate skills and experience oversees management of these risks and provides assurance to the management that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activity for risk management purposes are carried by specialist team having appropriate skills and experience. The risks and measures to mitigate such risks is reviewed by the committee of Board of Directors periodically.

#### Market risk

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

## Notes forming part of the Consolidated Financial Statements

### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At March 31, 2020, after taking into account the effect of interest rate swaps, approximately 86.45% of the Group's borrowings are at a fixed rate of interest (March 31, 2019: 87.07%).

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on profit before tax
₹ Mn		
<b>March 31, 2020</b>		
INR - Borrowings	+100	(1,278)
	-100	1,278
USD - Borrowings	+100	(280)
	-100	280
<b>March 31, 2019</b>		
INR - Borrowings	+100	(1,337)
	-100	1,337
USD - Borrowings	+100	(292)
	-100	292

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

### b) Foreign currency risk

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

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

When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. The Group has major foreign currency risk in USD and EURO.

The Group hedged 9.83% (March 31, 2019: 38.66%) of its foreign currency trade payables in USD and 36.65% (March 31, 2019: 10.99%), of its foreign currency loans in USD. This foreign currency risk is hedged by using foreign currency forward contracts and cross currency rate swaps (refer note 49). However the Group has not hedged the foreign currency trade payables in EURO.

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Group's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency exposure	Change in currency exchange rate	Effect on profit before tax
₹ Mn		
<b>March 31, 2020</b>		
USD	+5%	(3,597)
	-5%	3,597
EURO	+5%	(543)
	-5%	543
<b>March 31, 2019</b>		
USD	+5%	(2,719)
	-5%	2,719
EURO	+5%	(264)
	-5%	264

The derivatives have not been designated in a hedge relationship, they act as a hedge and will offset the underlying transactions when they occur.

## Notes forming part of the Consolidated Financial Statements

### c) Price risk

The Group invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

### d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

#### - Trade receivables

Customer credit risk is managed in accordance with the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 to 30 days' credit terms. Outstanding customer receivables are regularly monitored.

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Group, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90/120 days from date of billing and b) for receivables on account of roaming, IUC and passive infrastructure sharing remaining unpaid beyond 180/365 days. Further, allowance is also recognised for cases indicating any specific trail of credit loss within the ageing brackets mentioned above. Individual trade receivables are written off when management deems them not to be collectible. Any subsequent recovery is recognized as Income in the Consolidated Statement of Profit and Loss. Refer Note 15 for the carrying amount of credit exposure as on the Consolidated Balance Sheet date.

#### - Other financial assets and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Group's Treasury Department on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2020 and March 31, 2019 on its carrying amounts as disclosed in notes 11, 17, 18 and 19 except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instrument is noted in note 61 (e) and liquidity table below.

### e) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. As at March 31, 2020, approximately 3.86% of the Company's debt excluding interest will mature in less than one year, without considering reclassification into current maturity of debt due to convert breach (March 31, 2019: 9%) based on the carrying value of borrowings reflected in the financial statements. Based on the past performance and future expectation, the Company believes that the existing cash balance along with cash generated from operations, working capital management and available sources of raising funds (including monetisation of certain assets, re-financing of borrowings, etc.) as needed will satisfy its cash flow requirement associated with repayment of borrowings and its operation, through at least the next twelve months (refer note 4(B) and 24(b)).

## Notes forming part of the Consolidated Financial Statements

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

	₹ Mn				
Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
<b>As at March 31, 2020</b>					
Borrowings and Interest thereon <sup>(1)</sup>	1,211,036	212,832*	727,806	1,199,299	2,139,937
Trade and other payables <sup>(2)</sup>	254,370	198,507	62,279	-	260,786
Lease liabilities	268,792	123,068	177,788	15,511	316,367
Other financial liabilities <sup>(1)&amp;(2)</sup>	4,430	4,384	46	-	4,430
	<b>1,738,628</b>	<b>538,791</b>	<b>967,919</b>	<b>1,214,810</b>	<b>2,721,520</b>
Derivatives assets <sup>(3)</sup>	(822)	(691)	(131)	-	(822)
<b>Total</b>	<b>1,737,806</b>	<b>538,100</b>	<b>967,788</b>	<b>1,214,810</b>	<b>2,720,698</b>
<b>As at March 31, 2019</b>					
Borrowings and Interest thereon <sup>(1)</sup>	1,323,542	333,079*	659,239	1,180,078	2,172,396
Trade and other payables <sup>(2)</sup>	208,352	186,241	22,111	-	208,352
Other financial liabilities <sup>(1)&amp;(2)</sup>	89,016	5,070	83,946	-	89,016
	<b>1,620,910</b>	<b>524,390</b>	<b>765,296</b>	<b>1,180,078</b>	<b>2,469,764</b>
Derivatives liabilities	819	819	-	-	819
Derivatives assets <sup>(3)</sup>	(247)	(167)	(80)	-	(247)
	<b>572</b>	<b>652</b>	<b>(80)</b>	<b>-</b>	<b>572</b>
<b>Total</b>	<b>1,621,482</b>	<b>525,042</b>	<b>765,216</b>	<b>1,180,078</b>	<b>2,470,336</b>

\*The Company has classified gross amount ₹ 142,757 Mn (March 31, 2019 ₹ 102,802 Mn from non-current borrowings to current maturities of long term although the Company is confident that there will be no acceleration of payment in this regard (refer note 24(b)).

<sup>(1)</sup> Interest accrued but not due of ₹ 61,081 Mn (March 31, 2019: ₹ 64,143 Mn) has been excluded from other financial liabilities and included in borrowings and interest thereon.

<sup>(2)</sup> Payable for capital expenditure of ₹ 91,205 Mn (March 31, 2019: ₹ 73,186 Mn) and Accrual towards One Time Spectrum Charges (OTSC) of ₹ 38,871 Mn (March 31, 2019: ₹ Nil) has been excluded from other financial liabilities and included in trade and other payables.

<sup>(3)</sup> Included as part of maturity profile as the underlying of these derivatives are borrowings and other financial liabilities included above.

### 62 IMPAIRMENT REVIEW

As at March 31, 2020, in view of market capitalization of the company higher than the net assets value in books, there is no trigger for impairment of non-current assets of the Company. However, consistent with previous year, the Company has tested for impairment of non-current assets and such testing did not result in any impairment in the carrying value of non-current assets.

The recoverable amount has been determined based on value-in-use calculation using cash flow projections from financial budgets approved by board of directors covering a four-year period. The cash flow beyond the planning period are extrapolated using appropriate terminal growth rate.

The key assumptions used to calculate the value-in-use are as follows:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Discount rate (post tax rate)
- Growth rate
- Capital expenditure

**EBITDA:** The EBITDA margins have been estimated based on the past experience, synergy realization and other cost optimisation initiatives being undertaken by the Company and after considering incremental revenues from existing and new customers from all revenue streams.

**Discount rate:** Discount rate reflects the current market assessment of the risks specific to the Company taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate is derived based on the weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. The post-tax discount rate currently used to discount the estimated cash flows is 11.48 %.

**Growth rate:** The terminal growth rate used for extrapolating cash flows beyond the period of 4 years is 5% and is in line with the long-term average growth rate of the telecom industry in India and are consistent with internal / external sources of information.

**Capital expenditure:** The cash flow forecasts of capital expenditure are based on additional estimated capital expenditure towards incremental coverage and capacity enhancement requirements.

## Notes forming part of the Consolidated Financial Statements

### 63 CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using the net debt-equity ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, fixed deposits with banks having maturity of 3 to 12 months and investment in liquid mutual funds.

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
Borrowings	963,126	1,085,236
Current Maturities of long term debts	186,829	174,163
Less: Investment in liquid mutual funds	(4,548)	(67,088)
Less: Cash and cash equivalents	(3,708)	(8,428)
Less: Fixed deposits with banks having maturity of 3 to 12 months	(16,504)	-
<b>Net debt (A)</b>	<b>1,125,195</b>	<b>1,183,883</b>
Equity share capital	287,354	87,356
Other Equity	(227,555)	508,992
<b>Total Equity (B)</b>	<b>59,799</b>	<b>596,348</b>
<b>Net Debt-equity ratio (A)/(B)</b>	<b>18.82</b>	<b>1.99</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019.

### 64 ADDITIONAL DISCLOSURE AS PER REQUIREMENT OF SCHEDULE III

A) Net Assets of the Company, its subsidiaries, joint ventures and associate as at March 31, 2020 and March 31, 2019 ₹ Mn

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive Income / (Loss)		Share in total comprehensive Income / (Loss)		Amount
	As % of consolidated net assets	Amount	As % of consolidated profit / loss	Amount	As % of consolidated Other Comprehensive Income / (Loss)	Amount	As % of consolidated Total Comprehensive Income / (Loss)		
<b>Vodafone Idea Limited (Formerly known as Idea Cellular Limited)</b>									
31-Mar-20	150.53%	90,013	98.99%	(731,315)	20268.89%	(18,242)	101.45 %	(749,557)	
31-Mar-19	106.49 %	635,045	96.25%	(140,560)	(975.00%)	(3,198)	98.66 %	(143,758)	
<b>Subsidiaries</b>									
<b>Idea Telesystems Limited<sup>A</sup> (Merged with VIL effective April 1, 2019)</b>									
31-Mar-20	-	-	-	-	-	-	-	-	
31-Mar-19	0.03 %	201	(0.01%)	8	-	-	(0.01)%	8	
<b>Vodafone Idea Manpower Services Limited (Formerly known as Idea Cellular Services Limited)</b>									
31-Mar-20	0.01 %	5	0.00%	7	6.67%	(6)	0.00 %	1	
31-Mar-19	0.00 %	4	0.00%	2	(6.71%)	(22)	0.01 %	(20)	
<b>Idea Cellular Infrastructure Services Limited (Ceased to be subsidiary from May 31, 2018)</b>									
31-Mar-20	0.00%	-	0.00%	-	0.00%	-	0.00 %	-	
31-Mar-19	0.00%	-	(0.16%)	236	0.00%	-	(0.16)%	236	

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive Income / (Loss)		Share in total comprehensive Income / (Loss)	Amount
	As % of consolidated net assets	Amount	As % of consolidated profit / loss	Amount	As % of consolidated Other Comprehensive Income / (Loss)	Amount	As % of consolidated Total Comprehensive Income / (Loss)	
<b>Vodafone Idea Telecom Infrastructure Limited* (Formerly known as Vodafone Towers Limited)</b>								
31-Mar-20	(3.53)%	(2,111)	0.29 %	(2,117)	0.00 %	-	0.29 %	(2,117)
31-Mar-19	0.00 %	6	0.00 %	(2)	0.00 %	-	0.00 %	(2)
<b>Vodafone Idea Business Services Limited* (Formerly known as Vodafone Business Services Limited)</b>								
31-Mar-20	(4.40)%	(2,632)	0.00 %	17	0.00 %	-	0.00 %	17
31-Mar-19	(0.44)%	(2,649)	(0.01)%	18	0.00 %	-	(0.01)%	18
<b>Vodafone Idea Communication Systems Limited* (Formerly known as Mobile Commerce Solutions Limited)</b>								
31-Mar-20	2.90 %	1,737	(0.02)%	153	0.00 %	-	(0.02)%	153
31-Mar-19	0.27 %	1,584	0.85 %	(1,235)	0.00 %	-	0.85 %	(1,235)
<b>Vodafone Foundation*</b>								
31-Mar-20	(0.01)%	(4)	0.00 %	2	0.00 %	-	0.00 %	2
31-Mar-19	0.00 %	(6)	0.00 %	2	0.00 %	-	0.00 %	2
<b>Connect (India) Mobile Technologies Private Limited*</b>								
31-Mar-20	0.40 %	240	0.00 %	(12)	0.00 %	-	0.00 %	(12)
31-Mar-19	0.04 %	252	0.00 %	5	0.00 %	-	0.00 %	5
<b>Vodafone m-pesa Limited*</b>								
31-Mar-20	(1.55)%	(924)	0.13 %	(946)	(2.22)%	2	0.13 %	(944)
31-Mar-19	0.00 %	20	0.30 %	(437)	(0.30)%	(1)	0.30 %	(438)
<b>Vodafone Idea Technology Solutions Limited* (Formerly known as Vodafone Technology Solutions Limited)</b>								
31-Mar-20	(0.16)%	(94)	0.00 %	(18)	0.00 %	-	0.00 %	(18)
31-Mar-19	(0.01)%	(76)	0.02 %	(26)	0.00 %	-	0.02 %	(26)
<b>Vodafone Idea Shared Services Limited* (Formerly known as Vodafone India Ventures Limited)</b>								
31-Mar-20	0.10 %	57	0.00 %	(12)	15.56 %	(14)	0.00 %	(26)
31-Mar-19	0.01 %	83	(0.04)%	58	0.00 %	-	(0.04)%	58
<b>Vodafone India Digital Limited**^ (Merged with VIL effective April 1, 2019)</b>								
31-Mar-20	-	-	-	-	-	-	-	-
31-Mar-19	0.00 %	3	0.00 %	-	0.00 %	-	0.00 %	-
<b>You Broadband India Limited*</b>								
31-Mar-20	0.06 %	38	0.05 %	(357)	2.22 %	(2)	0.05 %	(359)
31-Mar-19	(0.04)%	(252)	0.18 %	(258)	0.00 %	-	0.18 %	(258)
<b>You System Integration Private Limited*</b>								
31-Mar-20	0.00 %	2	0.00 %	-	0.00 %	-	0.00 %	-
31-Mar-19	0.00 %	(7)	0.00 %	-	0.00 %	-	0.00 %	-



## Notes forming part of the Consolidated Financial Statements

₹ Mn

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive Income / (Loss)		Share in total comprehensive Income / (Loss)		Amount
	As % of consolidated net assets	Amount	As % of consolidated profit / loss	Amount	As % of consolidated Other Comprehensive Income / (Loss)	Amount	As % of consolidated Total Comprehensive Income / (Loss)		
<b>Associate</b>									
<b>Aditya Birla Idea Payments Bank Limited</b>									
31-Mar-20	0.00 %	-	0.02%	(124)	(1.11%)	1	0.02 %	(123)	
31-Mar-19	0.00 %	-	0.51%	(747)	1.83%	6	0.51 %	(741)	
<b>Joint ventures</b>									
<b>Indus Towers Limited</b>									
31-Mar-20	0.00%	-	(0.50%)	3,667	2.22%	(2)	(0.50)%	3,665	
31-Mar-19	0.00%	-	(1.85%)	2,701	(0.30%)	(1)	(1.85)%	2,700	
<b>Firefly Networks Limited*</b>									
31-Mar-20	0.00 %	-	0.00 %	11	0.00 %	-	0.00 %	11	
31-Mar-19	0.00 %	-	(0.01)%	15	0.00 %	-	(0.01)%	15	
<b>Consolidation Adjustments</b>									
31-Mar-20	(44.36)%	(26,528)	1.05%	(7,737)	(20192.22%)	18,173	(1.41)%	10,436	
31-Mar-19	(6.35)%	(37,860)	3.98%	(5,819)	1080.49%	3,544	1.56 %	(2,275)	
<b>Total</b>									
31-Mar-20	100.00 %	59,799	100.00 %	(738,781)	100.00 %	(90)	100.00 %	(738,871)	
31-Mar-19	100.00 %	596,348	100.00 %	(146,039)	100.00 %	328	100.00 %	(145,711)	

\*Pursuant to amalgamation of VM SL and Vinl with the Company (refer note 3(A))

^Included in Vodafone Idea Limited from 2019-20

## 65 INTEREST IN OTHER ENTITIES

## a) Interests in associate and joint ventures

The associate/ joint ventures which, in the opinion of the directors, are material to the Group as at March 31, 2020 are as below. The entities listed below have share capital consisting solely of equity shares which are held directly by the Group. The Country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

₹ Mn

Name of the entity	Place of business	% of ownership interest		Relationship	Accounting method	Quoted fair value		Carrying amount	
		As at March 31, 2020	As at March 31, 2019			As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Indus	India	11.15%	11.15%	Joint Venture	Equity Method	*	*	15,217	13,562
ABIPBL <sup>(1)</sup>	India	49.00%	49.00%	Associate	Equity Method	*	*	-	1,719
FNL <sup>(2)</sup>	India	50.00%	50.00%	Joint Venture	Equity Method	*	*	27	17

\* Unlisted entity- no quoted price available

(1) Company is currently under liquidation and hence company has made provision for entire amount of investment in the Company (refer note 43(ii))

(2) Pursuant to amalgamation of VM SL and Vinl with the Company (refer note 3(A))

## Notes forming part of the Consolidated Financial Statements

### b) Summarised financial information for associates and joint ventures:

The table below provide summarised financial information for the joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not Vodafone Idea Limited's share of those amounts.

#### Summarised Balance Sheet:

₹ Mn

Particulars	Indus Towers Limited (Indus)	
	As at March 31, 2020	As at March 31, 2019
<b>Equity</b>		
Equity share capital	1	1
Other equity	136,470	121,629
<b>Total Equity</b>	<b>136,471</b>	<b>121,630</b>
<b>Liabilities</b>		
Long term borrowings	1,667	11,223
Lease liabilities	89,733	-
Other non-current financial and non-financial liabilities	18,036	17,138
Deferred tax liability (Net)	2,242	10,800
Short term borrowings	27,920	31,241
Other current financial and non-financial liabilities	63,172	52,104
<b>Total Liabilities</b>	<b>202,770</b>	<b>122,506</b>
<b>Assets</b>		
Property, Plant and Equipment and Intangible (including CWIP)	171,135	176,014
Right of use assets	83,283	-
Other non-current financial and non-financial assets	14,741	11,947
Income Tax Assets	8,911	4,958
Cash and Cash equivalents	1,355	3,224
Other current financial and non-financial assets	59,816	47,993
<b>Total Assets</b>	<b>339,241</b>	<b>244,136</b>

#### Summarised Statement of Profit and Loss:

₹ Mn

Particulars	Indus Towers Limited (Indus)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenues from operations	188,586	185,100
Other income (including finance income)	1,814	2,633
Operating Costs (including CSR expenditure)	97,988	115,985
Profit before finance cost, depreciation, amortisation, exceptional items and taxes	92,412	71,748
Finance costs	12,601	6,028
Depreciation & amortisation <sup>(1)</sup>	39,895	27,572
Profit /(loss) before exceptional items and tax	39,916	38,148
Exceptional items	-	850
Income tax expenses	7,047	13,078
Profit/(loss) after tax	32,869	24,220
Other Comprehensive Income/(loss)	(22)	(6)
<b>Total Comprehensive Income/(loss)</b>	<b>32,847</b>	<b>24,214</b>

## Notes forming part of the Consolidated Financial Statements

The contingent liabilities and capital commitment of the above joint venture and associates are given below: ₹ Mn

Particulars	Indus Towers Limited (Indus)	
	As at March 31, 2020	As at March 31, 2019
Contingent Liability	99,419	57,016
Capital Commitment	3,584	2,545

### Reconciliation to carrying amounts:

The table below provides reconciliation to carrying amounts for the joint ventures and associates material to the Group. ₹ Mn

Particulars	Indus Towers Limited (Indus)	
	March 31, 2020	March 31, 2019
Opening net assets	121,630	131,950
Profit/ (loss) for the year	32,869	24,220
Other comprehensive income/(loss)	(22)	(6)
Dividends paid (incl. DDT)	-	(32,324)
Other Equity Movement	(18,006)	(2,210)
Closing net assets	136,471	121,630
Group's share in %	11.15%	11.15%
Group's share in INR	15,217	13,562

(1) Net of adjustment of ₹ 2,401 Mn (March 31, 2019: ₹ 2,210 Mn) with respect of additional depreciation on fair valued assets pursuant to scheme of merger.

The Group has received a dividend of ₹ Nil (March 31, 2019: ₹ 2,990 Mn) from Indus.

### The aggregate information of immaterial joint venture is as follows :

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
Carrying amount of investments	27	17

### Group's share in immaterial joint venture is as follows :

Particulars	₹ Mn	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit/ (loss)	11	15
Total comprehensive income/(loss)	11	15

### The aggregate information of immaterial associate is as follows :

Particulars	₹ Mn	
	As at March 31, 2020	As at March 31, 2019
Carrying amount of investments	-	1,719

## Notes forming part of the Consolidated Financial Statements

Group's share in immaterial associate is as follows :

₹ Mn

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Net Profit/ (loss)	(124)	(739)
Total comprehensive income/(loss)	(123)	(733)

- 66 Consolidated financial statements for the year ended March 31, 2020 are not comparable with the previous year due to the facts as mentioned in notes 2(D) (a) and 3(A). Previous year figures have been regrouped / rearranged wherever necessary to conform to the current year grouping.

As per our report of even date

For S.R. Batliboi &amp; Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Nilangshu Katriar

Partner

Membership No.: 58814

Place: Mumbai

Date : June 30, 2020

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

Himanshu Kapania

Director

(DIN : 03387441)

Place: Mumbai

Akshaya Moondra

Chief Financial Officer

Place: Jodhpur

Ravinder Takkar

Managing Director &amp; Chief Executive Officer

(DIN : 01719511)

Place: London

Pankaj Kapdeo

Company Secretary

Place: Mumbai

**Vodafone Idea Limited**  
*(formerly Idea Cellular Limited)*  
Suman Tower, Plot No. 18, Sector - 11,  
Gandhinagar - 382 011, Gujarat

**[www.vodafoneidea.com](http://www.vodafoneidea.com)**