

# together for tomorrow



**Vodafone Idea Limited**  
Annual Report 2022-23

## THE CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

Your Company, a partnership between two strong promoters Aditya Birla Group India and Vodafone Group UK, is a major telecommunications provider 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, 2023, the subscriber market share of your Company stands at 20.7% as per TRAI Subscription Report.

In FY23, your Company continued its focus on the stated strategy with the aim of improving cash generation in existing businesses and drive monetization in the new revenue streams. Resultantly, FY23 is the first year where your Company has registered annual revenue growth post-merger despite various challenges being faced, clearly reflecting its ability to effectively operate and compete in this market. In fact, the YoY ARPU growth of 9.3% in Q4 FY23 is highest amongst wireless operators. However, tariffs continue to remain unsustainable and need to increase significantly from current levels to improve overall industry health and generate reasonable returns for operators to promote investments, including investments towards new and emerging technologies.

Your Company continues to focus on driving 4G penetration to increase Average Revenue Per User (ARPU). Your Company's 4G population coverage is over 1 Bn and the Company has significantly improved its capacity since merger in 2018. Your Company's relentless pursuit to upgrade its 4G network, through integration and incremental network investments post-merger, is clearly visible through the top rankings across various independent third-party reports on both data and voice. Your Company has also been focusing on digital-first approach digitizing all customer touchpoints as well as distribution channel.

Further, your Company remains focused on strengthening its position on business services, especially the new and fast-growing segment of IoT and cloud services. Your Company has launched several digital initiatives to address the changing requirements of today's digital society enabling individuals and enterprises to get a range of benefits and value-adds. During the year, your Company also launched exciting propositions in various categories through digital offering on platforms for Music, Videos, Gaming, Education & Jobs which are available on the Vi app as part of an integrated access to its customers. All these incremental digital initiatives will improve revenue and profitability and subsequently strengthen your Company's overall competitive position and revenue in the longer run.

In a major industry development, the Spectrum Auction was conducted by DoT in July 2022 wherein reserve price of the spectrum was lowered, SUC charges were reduced to NIL on the spectrum acquired through this auction and spectrum payments were allowed to be spread over the spectrum validity of 20 years enabling the telecom operators to make large commitments in the spectrum auctions as well as towards rolling out the next generation wireless networks. Your Company has acquired 6,237 MHz of spectrum with total commitment of ₹ 188 Bn. Your Company opted for payment over 20 equal annual installment of ₹ 16.8 Bn and made payment of first instalment on August 17, 2022. Your Company acquired 850 MHz of mid band 5G spectrum (3300 MHz) in its 17 priority circles and 5,350 MHz mmWave 5G (26 GHz) spectrum in 16 circles. Your Company is closely watching the development on the 5G front and gearing itself to offer 5G services in the near future. Your Company also strengthened its Pan-India 4G footprint by acquiring additional 4G spectrum across 1800 MHz, 2100 MHz and 2500 MHz bands in 3 circles of Andhra Pradesh, Karnataka and Punjab.

Further, in line with the Government announced reform package your Company had opted for deferment of Spectrum and AGR dues as well as conversion of interest arising from such deferment

into equity during FY22. On February 3, 2023, Ministry of Communications, Government of India passed an order to convert the loan representing Net Present Value ('NPV') of the interest related to deferment of spectrum auction instalments and AGR dues into equity shares to be issued to Gol. Your Company has taken necessary steps and issued 16.13 Bn equity shares at an issue price of ₹ 10/- each. The promoter shareholding stands at 50.4% and Gol shareholding stands at 33.1%. This conversion reaffirms Government's commitment to implement the Telecom Reform Package and to maintain healthy competition in the sector with three private players.

During the year, promoter group invested further ₹ 4.4 Bn in your Company taking the total fund infusion to ₹ 49.4 Bn between Mar'22 and Jun'22. Further, ATC has subscribed to Optionally Convertible Debentures amounting to ₹ 16 Bn clearly reflecting the relationship that the Company shares with its key vendors, their belief in long term prospect of the Company and builds confidence towards further capital raise.

While the operating challenges remain, the increasing digital penetration, increasing content consumption, especially through video and social media usage and increasing e-commerce, is driving strong demand for high-speed mobile broadband connectivity for internet. Your Company with strong spectrum portfolio, large network investments in the form of network sites and optical fiber, wide distribution reach and strong customer affinity is very well positioned to recover and benefit in long term.

## **Outlook**

Your Company continues to focus on execution of its stated strategy. Your Company will remain focused on providing superior data and voice experience and building a differentiated digital experience through its several strategic initiatives as well as continue to make investments for expanding 4G coverage and capacity especially in its 17 priority circles and introduce 5G services once funding is in place. To further drive the digital agenda, your Company will look for

deeper integration opportunities with its partners using its platform capabilities to provide a differentiated telco++ experience, creating value both for its partners as well as customers.

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.

I would like to take this opportunity to acknowledge the untiring efforts of the employees of the Company who went beyond the call of their duty to meet burgeoning customer and other demands in these challenging times. I would also thank the Government of India, DoT, TRAI, State Governments, Lenders, Vendors, Suppliers and Partners for their untiring support and trust in these difficult times.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Ravinder Takkar', with a horizontal line underneath.

**Ravinder Takkar**





# say hello to more with Vi<sup>®</sup> Max Postpaid

More data | More OTT entertainment |  
Priority customer service

From ₹401

**Ask us**





# carry **unlimited data & calls** with Vi® International Roaming packs

Choose from 1 to 14 day pack options



unlimited  
calls



unlimited  
high-speed data



24/7  
support



no bill  
shock

T&C apply. For more details, visit [www.myvi.in](http://www.myvi.in)

# CONTENTS

2 Board of Directors

3 Corporate Information

7 Directors' Report

57 Management Discussion and Analysis Report

71 Corporate Governance Report

99 Business Responsibility and Sustainability Report

## **Standalone Financial Statements**

139 Independent Auditor's Report

156 Balance Sheet

158 Statement of Profit and Loss

159 Statement of Changes in Equity

161 Statement of Cash Flows

164 Notes forming part of the Financial Statements

## **Consolidated Financial Statements**

241 Independent Auditor's Report on Consolidated Financial Statements

249 Consolidated Balance Sheet

251 Consolidated Statement of Profit and Loss

253 Consolidated Statement of Changes in Equity

255 Statement of Consolidated Cash Flows

258 Notes forming part of the Consolidated Financial Statements



## BOARD OF DIRECTORS



**Mr. Anjani Agrawal**  
Independent Director



**Mr. Arun Adhikari**  
Independent Director



**Mr. Ashwani Windlass**  
Independent Director



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



**Mr. Krishnan Ramachandran**  
Independent Director



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



**Ms. Neena Gupta**  
Independent Director



**Mr. Ravinder Takkar**  
Non-Executive Chairman



**Mr. Sateesh Kamath**  
Non-Executive Director



**Mr. Sunil Sood**  
Non-Executive Director



**Mr. Suresh Vaswani**  
Independent Director



**Mr. Sushil Agarwal**  
Non-Executive Director

## CORPORATE INFORMATION

**Mr. Akshaya Moondra**

Chief Executive Officer

**Mr. Murthy GVAS**

Chief Financial Officer

**Mr. Pankaj Kapdeo**

Company Secretary

---

**Statutory Auditors**

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

**Cost Auditors**

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

**Secretarial Auditors**

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

**Registrar and Share Transfer Agents**

Bigshare Services Pvt. Ltd.  
Office No. S6-2, 6th Floor,  
Pinnacle Business Park,  
Next to Ahura Centre,  
Mahakali Caves Road, Andheri (East),  
Mumbai - 400 093

**Debenture Trustee**

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

**Corporate Office**

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

**Corporate Identity Number (CIN)**

L32100GJ1996PLC030976

**Registered Office**

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

**Website**

[www.myvi.in](http://www.myvi.in)



# enjoy ad-free music and unlimited downloads

Get the Vi App and listen to Hungama Music

**Ask us**

T&C apply. Visit [myvi.in](http://myvi.in)



**VI!**



**get a  
VIP number  
of your choice**

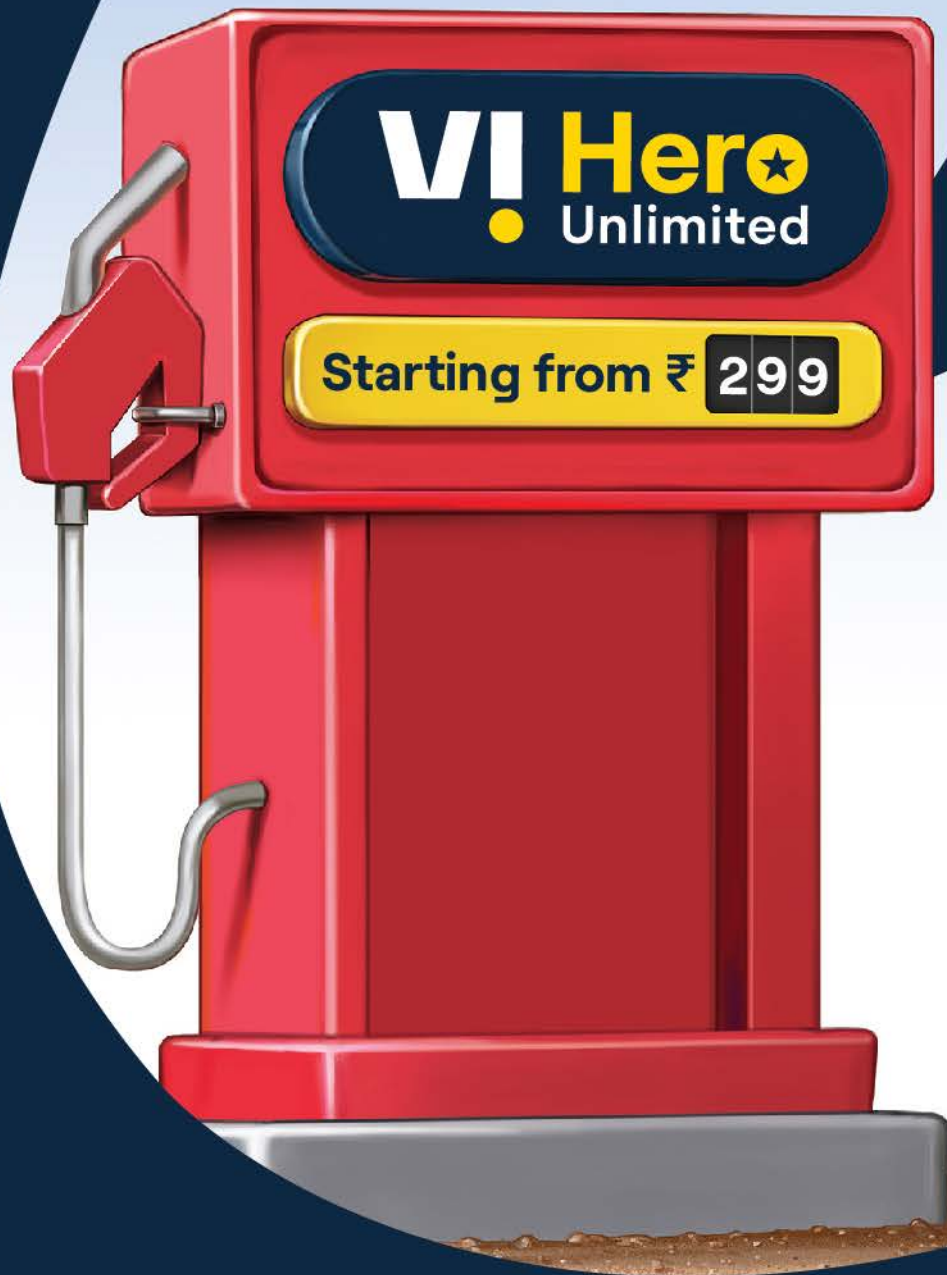
**Ask us**

T&C apply. For more details visit [www.myvi.in](http://www.myvi.in)



# baar baar data khatam?

switch to



**Binge all night**  
12am to 6am unlimited  
high speed data



**Weekend  
data rollover**



**Data delight**  
extra data above your  
daily quota

Available on daily data unlimited packs starting at ₹299. T&C apply. For details visit [www.myvi.in](http://www.myvi.in)

## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the Twenty Eighth Annual Report, together with the audited financial statements of the Company for the Financial Year ended March 31, 2023.

### Company Overview

Your Company, a partnership between two strong promoters Aditya Birla Group and Vodafone Group, is a major telecommunications operator in India, offering voice, data, enterprise services and other Value Added Services (“VAS”), including Short Messaging Services, Digital Services, IoT etc. As of March, 2023, the subscriber base of your Company stands at 236.8 Mn (on EOP basis) as per TRAI Subscription Report, with the subscriber market share at 20.7%. The Wireless Revenue Market Share (RMS) on Applicable Gross Revenue basis for your Company stands at 18.7% for quarter ended December 2022.

Your Company provides Voice and Data services on 2G, 3G or 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. The Company has also acquired 5G spectrum in mid band (3300 MHz) and mmWave (26 GHz) in July 2022 spectrum auction. Your Company has a large spectrum holding comprising 8,005.2 MHz spectrum across 22 Service Areas, of which 7,975.2 MHz is liberalised spectrum which can be used towards deployment of any technology.

Your Company's mobile telecommunication services cover more than 1.2 Bn Indians. As of March 31, 2023, your Company has 443,537 broadband sites and all of the 4G sites are VoLTE enabled, offering a better customer experience. Your Company provides Voice over WiFi (VoWiFi) in several circles which will be gradually expanded to rest of the country. The 4G network is spread over 341,000 towns and villages and covers more than 1 billion Indians. Your Company has been deploying Dynamic Spectrum Re-farming (DSR), Massive MIMO and Small cells to maximize spectrum efficiency. Additionally, your Company has been actively deploying LTE on TDD band of 2300 MHz and 2500 MHz spectrum band to expand the capacity and on 900 MHz band to improve customer experience in dense areas.

Your Company also derives revenue from carrying India inbound ILD traffic through arrangements with other mobile telecommunication companies and long distance

carriers operating outside India. Your Company is also a leading player in offering Business (Enterprise) services to customer across sectors. Your Company has a portfolio of ~294,000 km of Optical Fibre Cable (OFC), including own built and Indefeasible Right of Use (IRU) OFC, excluding overlapping routes.

The brand **VI** continues to garner strong awareness and building brand affinity across all customer segments in the country. Your Company continues to make progress on the marketing front by communicating key differentiators to consumers, entering into alliances and introducing various innovative products and services. Vi is building a competitive advantage by increasing customer engagement and heralding a new Digital Ecosystem with the introduction of Music, Videos, Games, Jobs & Education services. **Vi GIGAnet** continues to offer superior network experience on both, data and voice, as reflected in top rankings on 4G download speeds in independent external reports and TRAI “MyCall” app data respectively.

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

### Financial Results and Summary

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

The standalone and consolidated financial highlights of your Company for the Financial Year ended March 31, 2023 are summarised as follows:

Particulars	(₹ Mn)			
	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Income from sale of goods and services	418,841	382,024	421,426	384,984
Other Operating Income	330	183	346	171
Other Income	2,707	975	3,113	1,294
Total Income	421,878	383,182	424,885	386,449
Expenses	256,412	227,872	253,602	224,794

Particulars	(₹ Mn)			
	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
EBITDA	165,466	155,310	171,283	161,655
Depreciation and Amortisation	223,622	228,575	230,497	235,843
EBIT	(58,156)	(73,265)	(59,214)	(74,188)
Finance cost	233,439	209,734	233,543	209,808
EBT	(291,595)	(282,999)	(292,757)	(283,996)
Exceptional Items (Net)	(1,483)	627	(224)	1,643
Share of JV/Associates	-	-	5	12
Profit / (Loss) Before Tax	(293,078)	(282,372)	(292,976)	(282,341)
Taxes	-	-	35	113
Profit / (Loss) after Tax	(293,078)	(282,372)	(293,011)	(282,454)

Standalone revenue of your Company stood at ₹ 419,171 Mn, an increase of 9.7% over previous year. The EBITDA stood at ₹ 165,466 Mn, registering an increase of 6.5% over the previous year. The Loss after tax of the Company for the Financial Year 2022-23 stood at ₹ 293,078 Mn, vis-à-vis ₹ 282,372 Mn, for the previous year.

On a consolidated basis, the revenue of your Company stood at ₹ 421,772 Mn, an increase of 9.5% over the previous year. The EBITDA at ₹ 171,283 Mn reflects increase of 6% as compared to the previous year. The Consolidated Loss after tax of the Company stood at ₹ 293,011 Mn for Financial Year 2022-23 vis-à-vis ₹ 282,454 Mn for the previous year.

## Operations Review

The Indian wireless industry has now stabilized after witnessing testing times for more than half a decade due to challenges of hyper competition and unsustainable tariffs alongwith Covid related restrictions since 2020. Your Company, along with other operators, forms the backbone of innovations and new age technologies which are hallmark of India's transformation into a digital nation.

Financial Year 2022-23 is the first year where your Company has registered annual revenue growth post-merger despite various challenges being faced, clearly reflecting its ability to effectively operate and compete in this market. Your Company has reported seven quarters of sequential growth in several key metrics including Average Revenue Per User (ARPU) and 4G subscribers. In fact, YoY ARPU growth of 9.3% in Quarter 4 of Financial Year 2022-23 is highest

amongst wireless operators. While ARPU has shown improvement, ARPU's continue to remain unsustainable and need to increase significantly from current levels to improve overall industry health and generate reasonable returns to promote future investments. The operating environment continues to remain challenging, however, the increasing digital penetration, increasing content consumption, especially through video and social media usage is driving strong demand for high speed connectivity and thus offering a massive opportunity for telecom industry especially as the pricing has started to revive and likely to improve further in future.

In line with the Government announced reform package your Company had opted for deferment of Spectrum and AGR dues as well as conversion of interest arising from such deferment into equity during Financial Year 2021-22. On February 3, 2023, Ministry of Communications, Government of India passed an order to convert the loan representing Net Present Value ('NPV') of the interest related to deferment of spectrum auction instalments and AGR dues into Equity Shares to be issued to Government of India (GoI). Your Company has taken necessary steps and issued 16.13 Bn equity shares at an issue price of ₹ 10/- each. The promoter shareholding stands at 50.4% and GoI shareholding stands at 33.1%. This conversion reaffirms Government's commitment to implement the Telecom Reform Package and to maintain healthy competition in the sector with three private players.

In another major industry development, the Spectrum Auction was conducted by Department of Telecommunications (DoT) in July 2022 wherein reserve price of the spectrum was lowered, Spectrum Usage Charges (SUC) charges were reduced to NIL on the spectrum acquired through this auction and spectrum payments were allowed to be spread over the spectrum validity of 20 years, thereby enabling the telecom operators to make large commitments in the spectrum auctions as well as towards rolling out the next generation wireless networks. Your Company has acquired total of 6,237 MHz of spectrum with total commitment of ₹ 188 Bn and opted for payment over 20 equal annual installment of ₹ 16.8 Bn each year. Your Company acquired 850 MHz of mid band 5G spectrum (3300 MHz) in its 17 priority circles and 5,350 MHz mmWave 5G (26 GHz) spectrum in 16 circles. This will enable your Company to embark on its 5G rollout journey. Your Company also strengthened its Pan-India 4G footprint by acquiring additional 4G spectrum across 1800 MHz, 2100 MHz and 2500 MHz bands in 3 circles of Andhra Pradesh, Karnataka and Punjab.

Following the conversion of interest by the GoI, your Company has reinitiated fund raising efforts with new vigor, which will enable the Company to achieve its strategic intent. Your Company continues to actively engage with lenders and investors for further fund raising. Below are the other ongoing major strategic initiatives to improve your Company's revenue and profitability as well as to strengthen its overall position in the market:

**1. Focused network investments for superior customer experience**

– Your Company continues to have a focused approach to investments, biased towards the profitable areas, to utilize capex effectively while ensuring that it offers superior customer experience in these areas. Your Company has been driving incremental 4G investments in the 17 priority service areas, which contribute 98% of the Company's revenues and 93% of the industry revenues. Your Company also has been adding 4G capacity through Spectrum Re-farming in these areas. Your Company has been deploying several 5G ready technologies such as Massive MIMO, DSR, Cloudification of Core, which are central to its future growth strategy. Your Company is working towards rolling out 5G for consumers, the roll-out of which will be accelerated subsequent to the consummation of fund raising. In the meantime, your Company has made select 5G clusters in Delhi and Pune where it had partnered with various Original Equipment Manufacturers (OEMs) to test compatibility of available 5G handsets. Your Company has completed device testing of all major OEMs on its 5G network. Further, your Company is in discussion with various network vendors for finalisation of the 5G rollout plan.

**2. Market initiatives to drive ARPU improvement**

– While tariff hikes remain crucial to improve the overall industry health, your Company has undertaken several market initiatives to improve ARPU by driving higher 4G/UL penetration. As a part of the customer excellence drive, your Company has been transforming customer servicing across all touchpoints with a clear focus towards shift to digital. Further, as part of its digital first approach, your Company has renewed its focus on digitalization of distribution channel to completely automate sales process creating seamless and efficient journey for the channel partners.

**3. Focusing on Business Services and Fast-Growing Revenue Segments**

– In line with our stated strategy of transformation from telco to techco,

your Company is offering services beyond connectivity and becoming a preferred choice of partner for our customers in their digital journey. Your Company leverages its multi-year relationships with customers and derives tremendous synergies from strength of Vodafone group especially its global leadership in IoT space. While your Company continues to focus on enterprise mobility and fixed line connectivity, your Company is having incremental focus on new revenue streams and strengthening proposition on IoT and cloud service. Your Company thus continues to strengthen partnerships with customers with a range of offerings like Vi Integrated IoT, an end to end IoT solution, Managed SIP, **VI** Cloud Firewall Service, **VI** Secure and **VI** Business Plus bundled mobility offering.

**4. Driving partnerships and digital revenue streams**

– Your Company has several digital initiatives to address the changing requirements of today's digital society enabling individuals and enterprises to get a range of benefits and value-adds. **VI** offers not just enriched connectivity but also an array of digital products and services to complement the core business. On content, one of the key focus areas is to offer deeper integration with its digital and content partners for a differentiated experience, create monetization opportunities and truly become an integrated digital service provider. During the year, your Company has also launched some very exciting propositions in various categories like Live TV, Entertainment, Music, Videos, Gaming, Education, Skilling & Health, which are available on the **VI** App as part of an integrated access. All these propositions should help us build our digital community increasing customer stickiness. Your Company will thus continue to focus on its platform capabilities to offer deeper integration with its partners for a differentiated experience, create monetization opportunities and truly become an integrated digital service provider.

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

**Dividend**

As your Company has incurred net loss during the Financial Year 2022-23, 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

The Board of Directors of the Company at its meeting held on July 22, 2022 issued 427,656,421 warrants, each convertible into one fully paid-up equity share of face value of ₹ 10/- for cash at a price of ₹ 10.20 to a Promoter entity, aggregating upto ₹ 4,362 Mn, which were allotted on July 25, 2022. Pursuant to the exercise of the right of conversion attached to the warrants by the warrant holder, the Board of Directors of the Company at its meeting held on February 14, 2023, approved conversion of these warrants into equity shares and consequently allotted 427,656,421 equity shares to the Promoter entity.

Further, during the year, the Ministry of Communications, Government of India in line with the Reforms and Support Package for Telecom Sector announced in September 2021, and the conversion option exercised by the Company, passed an order on February 3, 2023 under section 62(4) of the Companies Act, 2013, directing the Company to convert the loan representing NPV of the interest related to deferment of spectrum auction instalments and AGR dues into equity shares to be issued to the Government of India. The Board of Directors of the Company at its meeting held on February 7, 2023, allotted 16,133,184,899 equity shares of face value of ₹ 10/- each at an issue price of ₹ 10/- per equity share aggregating to ₹ 161,332 Mn to the Department of Investment and Public Asset Management, Government of India (acting through President of India).

The Board of Directors of the Company at its meeting held on January 31, 2023 re-approved issuance of upto 16,000 Optionally Convertible, Unsecured, Unrated and Unlisted Indian Rupee denominated Debentures ('OCDs') having a face value of ₹ 1,000,000 each, in one or more tranches, aggregating upto ₹ 16,000 Mn, each convertible into 100,000 equity shares of face value of ₹ 10/- each at a conversion price of ₹ 10/- to ATC Telecom Infrastructure Private Limited ('ATC'), a non-promoter of the Company, on a preferential basis in accordance with Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Capital Raising Committee of the Board of Directors of the Company, at its meeting held on February 27, 2023 and February 28, 2023 allotted a total of 16,000 number of OCDs to ATC. The funds so raised were

used to pay amounts owed to ATC by the Company under the Master Lease Agreements and for General Corporate Purposes of the Company.

Consequent to the conversion of warrants as mentioned above and issuance of equity shares to the GoI pursuant to conversion of the loan representing NPV of the interest amount related to deferment of spectrum auction instalments and AGR dues, the issued, subscribed and paid-up equity share capital of your Company as on March 31, 2023 stood at ₹ 486,796 Mn comprising of 486,796,892,050 Equity Shares of ₹ 10/- each.

During the year under review, there was no change in the Authorised Share Capital of the Company.

## Finance

On a standalone basis, the Company had Cash and Cash Equivalents of ₹ 2,216 Mn and Fixed Deposits with banks of ₹ 2 Mn as on March 31, 2023. The Company's net debt as on March 31, 2023 increased by ₹ 119,394 Mn to ₹ 2,015,987 Mn as compared to ₹ 1,896,593 Mn last year.

On a consolidated basis, the Company had Cash and Cash Equivalents of ₹ 2,288 Mn and Fixed Deposits with banks of ₹ 59 Mn as on March 31, 2023. The Company's net debt as on March 31, 2023 increased by ₹ 118,925 Mn to ₹ 2,013,513 Mn as compared to ₹ 1,894,588 Mn last year.

All scheduled loan repayments were made on respective due dates.

During the year, the Company had availed a Short Term Loan of ₹ 19,823 Mn.

## Credit Rating

In March 2023, CARE revised the outlook rating with respect to rating of Long Term Bank Facilities and Non-Convertible Debenture to Positive. As on March 31, 2023 the rating of Long Term Bank Facilities and Non-Convertible Debenture is CARE B+ (Positive) [Previous Year End Rating CARE B+ (Stable)].

## Capital Expenditure

On a standalone basis, the capital expenditure (including capital advances and excluding RoU assets and Spectrum) incurred was ₹ 29,843 Mn in the Financial Year 2022-23. Further, the Company has incurred ₹ 1,977 Mn towards Bandwidth. In addition to this, the Company has acquired spectrum of ₹ 187,863 Mn (consisting of upfront payment of ₹ 16,800 Mn and balance ₹ 171,063 Mn towards deferred payment obligation).

On a consolidated basis, the capital expenditure (including capital advances and excluding RoU assets and Spectrum) incurred was ₹ 31,527 Mn in the Financial Year 2022-23. Further, the Company has incurred ₹ 1,977 Mn towards Bandwidth. In addition to this, the Company has acquired spectrum of ₹ 187,863 Mn (consisting of upfront payment made of ₹ 16,800 Mn and balance ₹ 171,063 Mn towards deferred payment obligation).

### 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

#### • Auction of Spectrum 2022:

On April 11, 2022, TRAI submitted its recommendations on 'Auction of spectrum in frequency bands identified for IMT/5G'. Thereafter, the Spectrum Auction were conducted by DoT in July 2022. Your Company participated in the auctions and acquired 6,237 MHz of spectrum across 2100 MHz, 2500 MHz, 3300 MHz and 26 GHz bands at an aggregate value of ₹ 187.86 Bn. Post July 2022 spectrum auction, your Company's overall spectrum holding is 8,005.2 MHz across different frequency bands out of which 7,975.2 MHz spectrum is liberalized and can be used towards deployment of any technology (2G, 3G, 4G or 5G).

#### • Issuance of Equity Shares to Government of India:

On September 15, 2021, the Government announced a comprehensive reform package for the Indian telecom sector including measures to address the structural, procedural and liquidity issues. To address the immediate liquidity concerns of the sector, Government provided an option of up to four years of moratorium on AGR dues and spectrum instalments due between October 2021 and September 2025 with an option to convert interest arising from such deferment into equity upfront. Your Company had opted for deferment of Spectrum and AGR dues as well as conversion of interest arising from such deferment into equity. Further, on January 10, 2022, the Board of

your Company also approved the upfront conversion of the full amount of interest arising due to deferment of spectrum instalments and AGR dues into equity.

Accordingly, in line with the Reforms and Support Package for Telecom Sector communicated earlier and the conversion option exercised by the Company as provided for therein, Ministry of Communications, Government of India passed an order on February 3, 2023, under section 62(4) of the Companies Act, 2013, directing the Company to convert the loan representing NPV of the interest related to such deferment amounting to ₹ 161,332 Mn into Equity Shares. The Board of Directors of your Company had at its meeting held on February 7, 2023, accordingly issued 16,133,184,899 equity shares of face value of ₹ 10/- each at an issue price of ₹ 10/- per equity share. Consequent to the aforesaid allotment, the Government of India holds 33.1% of the equity capital on your Company and the promoter shareholding (i.e. Vodafone Group and Aditya Birla Group) stands at 50.4%.

#### • AGR Matter

The Hon'ble Supreme Court had upheld the view considered by Department of Telecommunications ("DoT") in respect of the definition of Adjusted Gross Revenue ("AGR") ("AGR Judgment") and confirmed the principal demand, levy of interest, penalty and interest on penalty resulting in significant financial implications on the Company. The Hon'ble Supreme Court also had vide its final order dated September 1, 2020, inter-alia directed that telecom operators shall make payments in ten instalments commencing from April 1, 2021 to March 31, 2031 payable by 31<sup>st</sup> March of every succeeding financial year and file an yearly affidavit confirming compliance.

The Company had on August 10, 2021 filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application on correction of manifest/clerical/arithmetic errors in the computation of AGR demands which is still pending to be heard.

The Union Cabinet on September 15, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. Further to address liquidity requirements, the Cabinet had also

approved deferment of AGR dues which are payable in annual instalments as determined by the Hon'ble Supreme Court for up to four years without any change in the instalment period and deferment of spectrum auction instalments payable from October 1, 2021 to September 30, 2025 excluding the instalments due for spectrum auction conducted in 2021. It also provided upfront conversion on any of the interest amount arising due to such deferment into equity on an NPV basis. The Company had conveyed its acceptance for the deferment of Spectrum Auction instalments and AGR Dues by a period of four years and on January 10, 2022 conveyed its acceptance for conversion of such interest on the deferred instalments related to deferred annual spectrum liabilities and AGR dues into shares in the Company.

Subsequently on April 14, 2022, the Company confirmed the computation of the Net Present Value (NPV) of the interest liability on moratorium period amounting to ₹ 161,331 Mn towards AGR dues and deferred annual spectrum liabilities respectively as on the date of exercise of option i.e. January 10, 2022. The DoT, on February 3, 2023, issued an order under section 62(4) of the Companies Act, 2013, directing the Company to convert the loan representing NPV of the interest related to such deferment amounting to ₹ 161,332 Mn into Equity Shares. On February 7, 2023, the Company's Board approved the allotment of shares to Government of India.

During the Financial Year 2022-23, the DoT offered a moratorium on pending AGR related dues up to Financial Year 2018-19 along with an option of equity conversion of interest liability pertaining to the moratorium period for the additional amount of ₹ 88,372 Mn (including additional amounts for the period till Financial Year 2016-17 not forming part of the affidavit submitted to Supreme Court). On June 29, 2022, Company conveyed its acceptance for the deferment of AGR related dues for the period beyond Financial Year 2016-17 and till Financial Year 2018-19 as the figures till Financial Year 2016-17 were to be treated as final without any changes as per the AGR judgement. The DoT has also mentioned that these demands are subject to further correction on account of disposal of various representations submitted by the Company, outcome of other

pending litigations etc. and the undisputed amounts finally determined by December 31, 2025 shall be paid in six equal instalments post the moratorium period. In September 2022, the Company informed the DoT that on the interest for the moratorium period on these yet to be finalized AGR dues beyond Financial Year 2016-17 till Financial Year 2018-19, it shall not be opting for conversion into equity.

- **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 held 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 Tribunal Telecom Disputes Settlement and Appellate Tribunal (TDSAT) which 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 1, 2008, OTSC shall be levied from the date of allotment of such spectrum and if spectrum is allotted before July 1, 2008, OTSC shall be levied from January 1, 2013 till the date of expiry of licenses and ordered DoT to issue revised demands, if any, as per terms of direction given. The Company's appeal before the Hon'ble Supreme Court for levy of OTSC beyond 6.2 MHz, though initially dismissed was reinstated following a review petition filed in this regard. The DoT has also preferred an appeal against the TDSAT judgement for levy of OTSC on spectrum below 6.2 MHz. The matter is currently pending before the Hon'ble Supreme Court.

## Brand Overview

The brand **VI** of your Company has completed over 2 years and celebrated the 2<sup>nd</sup> anniversary with its customers, trade & employees. In this short journey, the brand has already garnered strong awareness and continues to build brand affinity & consideration across all customer segments in the country.

Your brand's health has improved significantly as reflected in brand NPS as well as on key KPIs like Spontaneous Awareness & Total Awareness. It has also shown significant improvements across many other brand Imagery Parameters. Further, your Company maintained NPS leadership on the aspects of Customer Service, Digital Experience, Price and Setup.

Your Company also continued its numero uno position on the Social Media front with the credit of being the only telco with +ve NPI ( Net Positivity Index) and a whopping 90%+ SoPV (Share of Positive Voice) on Social Media amongst all the telco brands in the country.

Your Company also had the highest rated voice quality in the country as per TRAI's "MyCall" app data for 25 out of 29 months consecutively between November 2020 and March 2023.

## Marketing and other initiatives

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

- Building a competitive advantage by leveraging the Opensignal certification of being the Fastest 4G in the country, your Company had launched the #BestIsGettingBetter campaign - that showcases how we are on a continuous journey to improve our network in spite of being the best to help our customers get ahead in life and thrive. It showcased stories of our network engineers' efforts to make the best better to reassert network superiority and the campaign was extensively promoted on TV & Digital.
- A one of a kind integration was done with Kaun Banega Crorepati, one of the most coveted TV properties/gameshow, with 'KBC Golden Week with Vi' giving Vi consumers to exclusively get a chance to sit at the coveted hot seat and also Amitabh Bachchan calling seamlessly through video call to a friend was made possible through Vi - India's fastest 4G.

- Your Company also created a Rap song around its "Speed Se Badho" philosophy, with one of the most coveted macro influencers - Raftaar. The Speed Se Badho song was 'organically' trending at #15 on YouTube across India. The song garnered over 7 Mn views and BBC made the song as their track of the week and it trended for 6 weeks in the charts.
- With the need for data increasing with each day and to build a competitive advantage by talking about the differentiated offerings, your Company positioned the pack offering "Unlimited Night Data" and "Weekend Data Rollover" as Hero Unlimited Packs and launched the 2<sup>nd</sup> leg of its very impactful 'Hero Unlimited - Naam Ka Nahin, Kaam Ka Unlimited' campaign to highlight these benefits quirkily by Vinay Pathak. The campaign was extensively promoted on TV, Digital and on ground.
- Your Company also launched a campaign around its 'Jobs & Education' proposition on **VI** App, with an objective of building an emotional connect, highlighting how brand **VI** is making efforts to help its consumers get ahead in life by presenting them with job opportunities and means to prepare well for government exams, thereby strengthening its stated positioning of Together for tomorrow and helping one Thrive.
- With an objective to increase customer engagement and herald a new Digital ecosystem, your Company transitioned Vi app into multifaceted super app which now provides its customers with a large repertoire of Movies, Shows and Live TV, Music, Games, Infotainment, Jobs and Education Services and more in addition of doing recharges, payments and managing their Vi account.
- Vi Movies & TV - our OTT app has been integrated with Vi app giving customers access to their favorite shows & movies right on Vi app itself. And, to provide the best in class content, the Company partnered with various content creators and OTT apps like Zee5, Indiacast (Colors), Discovery, SunNXT, Shemaroo Me, Colours, Hungama, TV Today, Atrangi, Pocket Films and others. The app provides a range of content including Movies, TV shows & Live TV from over 400 TV channels, Original shows and short format videos in 16+ languages. It has rich content ranging from GEC (general entertainment), news, religious, regional, documentaries, sports & kids.



- With the objective of driving high-end/heavy data users with premium content, the Company also has product bundling tie ups with leading content providers like Amazon Prime, SonyLiv & SunNXT.
- Vi has partnered with Hungama Music to offer our customers ad-free music with unlimited downloads. This was extensively promoted on TV, Digital, PR & for a 360° integrated campaign. It was further supported with a launch of LIVE Music Concerts on **VI** App exclusively for Vi consumers, during the second half of the year.
- Your Company also launched its eSports platform in partnership with one of the leading eSports start-up, Gamerji. Vi's eSports platform allows consumers to participate in eSports tournaments across some very popular titles like Free Fire Max, Call of Duty, Asphalt9 & more. Your Company also expanded Vi Games proposition with the launch of Social or Multiplayer games offering that included popular games like Ludo, Solitaire, Uno, Cricket, Football, Wordle & more. We also organized various gaming tournaments like GameFest, 'Ludo Khelo London Jao' & more.
- Your Company had launched a Jobs & Education proposition on the **VI** App, in line with our brand philosophy of enabling our customers to thrive, by partnering with 3 marquee start-ups – Apna (now a unicorn), Enguru and Pariksha. These propositions are specifically targeted at Bharat Youth with the aim of enabling them to have an equal opportunity of access to services like finding jobs & professional networking, learning to speak English and preparation of government exams. Your Company drove extensive promotions around these propositions to drive adequate awareness and adoption on these services by the core TG. To further aid our consumers in their endeavor to get ahead in life, we also organized virtual Job Fairs and series of webinars around Career Counselling, English Learning & Government Job preparations.
- With the objective of driving Data & Media monetization, your Company also commissioned its AI/ML driven ad-tech platform. Launched under the brand **VI** Ads, it offers advertisers unique audience segments, interest groups & targeting parameters and advertising opportunity across all telco owned channels as well as 3<sup>rd</sup> party digital inventory under a single platform, thereby simplifying media buying, especially for the SMBs.
- India is a cricket loving nation and the World Cup & IPL gives a great opportunity to connect with customers and therefore, we drove a very successful legs of our FanFest program on Social Media during the World Cup, IPL & WPL. This campaign led to **VI** becoming the buzziest brand and generating strong engagement amongst the users.
- In line with your Company's strategy of accelerating our unlimited base and 4G adoption through attractive content propositions, your Company continued to promote the Hotstar pack for prepaid users during IPL, Asia Cup & T20 World Cup and was promoted on digital & offline.
- Throughout the year, Vi engaged with its users on social media via various topical campaigns around events such as Diwali (#LookUp), Christmas (#12DaysOfChristmas), Valentine's Day (#ViLoveTunes) and Holi etc. Some of these were also extended to Vi Retail stores. All these helped in driving positive sentiments and buzz for the brand keeping it on top of the mind of the users and also build a stronger brand affinity.
- Your Company also commissioned a state-of-the-art Consumer & Marketing Analytics Platform - India's 1st Big Data AI/ML & Advanced Cloud Analytics Platform among Telcos, which now gives us the capability to compute and process at scale apart from the ability to also access open source knowledge banks. This has enabled us to entrust the task of defining the next best action to machines and has really helped enhance outcomes of CVM machinery through sharper targeting and targeted offerings. Your Company won the prestigious Frost & Sullivan award in the telco category for leading AI & ML practices and their application.
- **Launch of Self KYC for Prepaid and Postpaid Home Delivery:** Vi is the first operator in the industry to launch the Self KYC (Know Your Customer) process for Prepaid and Postpaid. The Self KYC process will make the customer on-boarding faster and easier as the customers will no longer need to visit the retail store and go through the physical KYC process. This is currently available in 4 cities - Bengaluru, Mumbai, Delhi and Kolkata, and will be further expanded to other cities in coming days.

## Big Data, Advanced Analytics (Artificial Intelligence & Data Science) and Business Intelligence Edge

- Vi launched India's 1st Big Data AI/ML Cloud Advanced Analytics Platform over AWS Cloud enabling smarter and faster marketing interventions & plan recommendation generated by our Data Science & AI/ML based predictive & prescriptive models especially for UL Recruitment, UL Renewals, Churn Reduction and Digital Adoption/ Engagement and is indeed a step taken forward in our journey of transition from Telco-Techco.
- Our Artificial Intelligence & Data Science driven Big Data Analytics Platform brings in massive parallel processing & compute capability enabling faster GTM along with speed, scale capability across multiple AI/ML Models to run on Pan-India subscriber base at once. It also enables enterprise grade Real-Time Stream Analytics Capability in defining and deploying AI/ML Use Cases and Models.
- Today our Big Data Analytics Platform enables enhanced Customer Acquisition, Engagement, Retention, Digital/ Vi App Adoption/Engagement, Churn Reduction, Upsell/ Cross-Sell, Data Monetization, Text/Social Media/ Sentiment Analytics and accelerates migration of 2G/3G subscribers to 4G as part of our both ARPU & market share growth strategy. Our AI/ML based 5G prioritization and ranking is able to predict and optimize customer offering with Hyper-Personalization at scale provides us pre-emptive decision making support.
- GTM time for AI/ML Models execution reduced from monthly to weekly frequency and now has capability to perform near Real-Time Predictive & Prescriptive Analytics at scale while the target is to roll out real time analytics to enable better customer delight and data monetization opportunities. This also enhances our capability to apply Deep Learning Algorithms over large volume of Data concurrently instead of just experimenting with conventional Ensemble Machine Learning Algorithms thereby enabling better and scalable campaign performance. The Generative AI algorithms capabilities is being reinforced at Vi to optimize our NLP, Computer Vision and Video Analytics based use cases.
- The deployed Big Data Analytics Platform over AWS Cloud has the most cost effective architecture that leverages both Data Lake & AWS Cloud storage & compute components optimally to keep the cost as low as possible. CAPEX reduced almost to Zero with

OPEX flexible and elastic to incorporate additional business impacting AI/ML Models that have high Business impact/value. We have been able to reduce AI model building and scoring time by more than 80% with Big Data AI/ML Cloud Analytics platform at scale and speed thereby supporting faster decisions and Go-to-Market strategy.

## Partnerships & Alliances

**VI** Business has launched **VI** Secure, a comprehensive cyber security portfolio, in collaboration with leading security providers such as FirstWave, Fortinet, Cisco, TrendMicro, IBM and Netscout Arbo. With **VI** Secure, your Company offers enterprise customers a range of reliable, industry-leading security solutions, that align with their current and future cyber security needs.

## Integrated IoT Solutions

- One of the strategic focus areas for your Company has been to strengthen its market leadership in IoT and other emerging technology businesses. The Integrated IoT offering is designed to simplify and accelerate the digital transformation journey for enterprises.
- **VI** Business has always been ahead of the curve & built the edge over competition in terms of implementing large and complex IoT Projects serving enterprises across India. Vi Business has successfully implemented Smart Mobility, Smart Infrastructure and Smart Utility IoT solutions across use cases including Automobiles, Electric Vehicles, BFSI, Logistic & Transportation, Energy & Utility and Manufacturing.
- Our Integrated IoT solutions have been deployed in varied use cases like Smart Cities, Smart Lighting, Weather Forecasting, Electric Vehicle (EV), Battery Management System, Agriculture, Solar & Water Management and more and have delivered business impact to the enterprises. We continue to be well positioned to capture growth by focusing on innovations like eSIM and IoT Smart Central. We are the first Telco to commercially offer GSMA-SAS certified eSIM and first telco to provide eUICC e-SIMs having one of its kind device assisted switching capabilities. IoT Smart Central is our all-new connectivity management platform that puts customers in control by giving a comprehensive view of all of their IoT devices. This adaptive and agile platform helps customers to centrally manage, control & monitor connectivity options for IoT assets across industries and use cases.

## SME Focus

- The 'Ready for Next' program by Vi Business partners MSMEs in their entire digital journey. The 'Ready for Next' digital self-evaluation process has helped more than 80,000 MSMEs assess their digital maturity across three aspects - Digital Customer, Digital Workspace and Digital Business and thus enabling them to adopt right-fit digital solutions.
- Vi Business Plus - Mobility Bundling solutions are enabling today's mobile workforce to connect, communicate, collaborate and do a lot more with their postpaid plans. With unique features like data pooling, Vi Business Plus provides superior customer experience, with seamless and uninterrupted high-speed data. Vi Business Plus also offers device security and Google Workspace solutions for SMEs and start-ups in order to help them improve productivity and efficiency.

## Awards and Recognitions

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

- Vi Business won multiple recognitions at the CIO Choice Awards 2023 under the following categories:
  - Managed Mobility Services (Enterprise Mobility Vendor Category) – 3rd Consecutive win
  - Telecom Carrier – Mobile Access (Telecom Services Vendor Category) – 9th Consecutive win
  - Telecom Carrier – International Access (Telecom Services Vendor Category) – 2nd Time winner
  - SIP Trunk (Mobility Vendor Category) – 4th Consecutive win
  - Cloud Telephony (Telecom Services Vendor Category) – 3rd Time winner
- Vi Business was awarded the Frost & Sullivan Award 2022 for:
  - Best Practices under Indian Cellular IoT Connectivity Service Provider category
  - Best Practices Technology Innovation Leadership Award for Indian Session Initiation Protocol (SIP) Trunking Technology
- Vi Business Ready for Next MSME Campaign has been awarded in Mint Marketing Awards'22, Brand Equity India DG Awards'23 and in e4M Indian Marketing Awards 2023.
- Our Carrier business unit has been recognized by Asian Telecom Awards'23 for Application 2 Person (A2P) SMS Monetization of the year award (India).
- At the Voice and Data Awards 2023, Vi Business has been recognized for innovation and excellence in Customer Service and for Vi Business Hub.
- Vi won the 'Best Social Media Brand' in the telco category at the MOMMY Awards.
- Vi won a GOLD for best Social Media brand in the telco category for its #Lookup Diwali campaign, at the Best Social Media Brand Awards by Social Samosa.
- Vi also won the award for the 'Best CMO - Customer Experience' at the Pitch CMO Awards 2023.
- Vi was awarded a SILVER at the ET Brand Equity SPOTT Awards, for best use of memes & emojis in #SpeedSeBadho campaign.
- Getting a due recognition for excellence in Digital Marketing, Vi won a Silver at the ET Brand Equity India DG+ Awards'23 for best use of Performance Marketing.
- Vi also got recognized for its 'Chellam Sir' post, winning a Silver at the 13th edition of E4M Indian Digital Marketing Awards.
- Vi also won the prestigious Frost & Sullivan award in the telco category for leading AI and ML practices and their application.
- VIL has been listed in Reputation Today's Top 30 Corporate Communication Teams for three consecutive years in 2021, 2022 and 2023.
- Vi won CX Awards 2023 for 'Best Customer Experience Team of the Year'.
- Vi was ranked amongst the 100 Best in 2022 Avtar and Seramount Best Companies for Women in India.
- VIL was ranked amongst the Top 45 companies in Businessworld India's Most Sustainable Companies Listing 2022.
- Vi was ranked amongst the Top 25 Brands with Best in-house Communications Team by E4M for 2022.
- Vi won Digital Initiative of the Year for Vendor Compliance Portal Award at Asian Telecom Awards 2023.

- Vi won Voice & Data Excellence Awards 2022 at the Telecom Leadership Forum 2023 under the following categories:
  - Enterprise Business Solution.
  - IoT Services.
  - Business Process Innovation.
  - Enterprise CX.
  - Skilling.
- Vi Business won A2P SMS Monetization of the Year at Asian Telecom Awards 2023.
- Vi campaigns won two awards at E4M IPRCCA 2023 Awards:
  - Gold for Vi Smart Agri under CSR & Not-for-profit (Beyond Metro) category.
  - Silver for 'Vi 5G showcase' at India Mobile Congress 2022 in the Event & Experiential Marketing (Product & Promotion) category.
- Vi was awarded Gold for Best Use of Video Content & Best Social Media Brand in Telecom at the Social Samosa SAMMIE Awards 2022.
- Vi was awarded Silver for Best Use of Topical Posts in a Campaign at the E4M Indian Digital Marketing Awards 2022.
- VIL was awarded for Excellence in Pandemic Response by Fintech India Innovation at Fintech India Expo 2022.
- Vi was awarded Silver for Use of Memes & Emojis at the ET Brand Equity SPOTT Awards 2022.
- Vi won two awards in the ET Brand Equity – India DigiPlus Awards 2023.
  - Silver – Best Use of Performance Marketing.
  - Bronze – Digital Campaign in the B2B Category.
- Vi Business was awarded Gold for 'Ready For Next' initiative at E4M Indian Marketing Awards.

### Subsidiaries and Joint Ventures

As on March 31, 2023, your Company has nine Subsidiary Companies, Joint Venture Company and one Associate Company, details whereof are given below:

#### Subsidiaries

##### 1. Vodafone Idea Manpower Services Limited (VIMSL)

VIMSL is engaged in the business of providing manpower services to the Company. During the year

under review, the total income stood at ₹ 743 Mn compared to ₹ 684 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. VMPL has ceased all operations and surrendered its Prepaid Payments Instruments Licence issued by the Reserve Bank of India (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 (DPSS) and also terminated its Business Correspondence Agreement with ICICI Bank with effect from July 31, 2019.

Post completion of the three year period on September 30, 2022, as was directed by RBI while approving the surrender of the PPI Licence, VMPL had written to the RBI on way forward relating to compliances to be continued, post which RBI advised to continue maintaining the un-extinguished liability towards PPI holders and merchant in the escrow account till further communication.

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

VIBSL is an outsourcing hub for back-end IT support, data centre operations and hosting services to the Company and its subsidiaries. It also has an OSP license business. During the year under review, the total income stood at ₹ 1,364 Mn as compared to ₹ 1,256 Mn in the previous year.

##### 4. Vodafone Idea Communication Systems Limited (VICSL)

VICSL is engaged in the business of trading of Mobile handsets, Data Card and related accessories and services. During the year under review, the total income stood at ₹ 453 Mn compared to ₹ 548 Mn in the previous year.

The Board of Directors of VICSL, at their meeting held on August 11, 2021, approved a Scheme of Amalgamation ("the Scheme") for merger of Connect (India) Mobile Technologies Private Limited ("CIMTPL"), a wholly owned subsidiary of VICSL, with VICSL under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme was approved by the Ahmedabad bench



of National Company Law Tribunal vide its order dated December 22, 2022 and a certified true copy of the said order was received on January 3, 2023 which was filed with the Registrar of Companies, Ahmedabad, on January 31, 2023, thereby making the Scheme effective from January 31, 2023.

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

CIMTPL was a wholly owned subsidiary of VICSL. Pursuant to order passed by the Ahmedabad bench of National Company Law Tribunal dated December 22, 2022, CIMTPL has been amalgamated with the VICSL with effect from January 31, 2023.

#### **6. Vodafone Idea Telecom Infrastructure Limited (VITIL)**

VITIL is engaged in renting out Passive Infrastructure to Telecommunication Service Providers for hosting their active equipment on existing fibre portfolio of ~ 169,577 kms. During the year under review, the total income stood at ₹ 8,455 Mn compared to ₹ 8,142 Mn in previous year.

#### **7. Vodafone Idea Shared Services Limited (VISSL)**

VISSL is an outsourcing hub for Finance & Accounts, Human Resources, Supply Chain Management, Credit & Collection Support, Customer Support and catering to the Information Technology (IT) needs for data consolidation, back end IT support for the Company and its subsidiaries. During the year under review, the total income stood at ₹ 1,195 Mn compared to ₹ 1,401 Mn in the previous year.

#### **8. Vodafone Idea Technology Solutions Limited (VITSL)**

VITSL is engaged in providing Technology, Software, Hardware, Value Added Services (VAS), Application Software, Contents and related products and services that facilitate and develop access to IT enabled VAS products and services whether on single or multiple platform(s) or operating system(s). VITSL is also engaged in the business of providing Data Centre related services and IT Solutions (including E-SIMs) to its customers. During the year under review, the total income stood at ₹ 191 Mn compared to ₹ 79 Mn in the previous year.

#### **9. You Broadband India Limited (YBIL)**

YBIL is engaged in providing high speed broadband internet access through cable network, high bandwidth internet broadband services to enterprise segment, infrastructure support to licensed telecommunication service providers. During the year under review, the total income stood at ₹ 1,372 Mn compared to ₹ 1,568 Mn in the previous year.

#### **10. Vodafone Foundation (VF)**

VF is a Section 8 Company as per Companies Act, 2013. Pursuant to the enactment of Companies Act, 2013 and Section 135 of the Companies Act, 2013, VF is an implementing agency and carries out Corporate Social Responsibility ('CSR') activities for the Company, its subsidiaries, associate and joint venture, 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 women, (d) healthcare, (e) environment, (f) eradication of poverty, (g) improving socio-economic condition of farmers.

### **Joint Venture Company**

#### **Firefly Networks Limited**

Firefly Networks Limited ('FireFly') is a joint venture with Bharti Airtel Limited, with each partner having equal (50% each) shareholding. The main objective of Firefly is to conduct the business of site acquisition, installation, commissioning, operations and maintenance of Infrastructures at the Hotspots to enable telecommunication and internet service providers, to offer customers Wi-Fi access across the territory. Revenue from operations for the Financial Year ended March 31, 2023 was ₹ 196 Mn as compared to previous year's ₹ 161 Mn. The Board of Directors have resolved to sell the equity held in the said joint venture, subject to all necessary approvals.

### **Associate Company**

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

In accordance with the provisions contained in Section 136(1) of the Companies Act, 2013 (Act), the Annual Report of the Company, containing therein its standalone and the consolidated financial statements are available on the Company's website <https://www.myvi.in/investors/annual-reports>.

Further, pursuant to the said requirement, the financial statements of each of the aforesaid subsidiary companies are available on the Company's website <https://www.myvi.in/investors/annual-reports> and shall be available for inspection during business hours at the Registered Office of the Company. Any member who is interested in obtaining a copy of the financial statements may write to the Company Secretary at the Registered Office of the Company.

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

### Consolidated Financial Statements

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

### Risk Management

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

Your Company has a well-established Enterprise-wide Risk Management (ERM) framework in place for identification, evaluation and management of risks, including the risks

which may threaten the existence of the Company. In line with your Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organized approach for evaluating and managing risks.

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

Detailed discussion on Risks forms part of Management Discussion and Analysis Report which forms part of this Annual Report under section 'Opportunities, Risks, Concerns and Threats'.

### 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 and Sweat Equity) Regulations, 2021, the details of the Stock Options and Restricted Stock Units granted under the above mentioned Schemes are available on your Company's website <https://www.myvi.in/investors/annual-reports>.

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

### Internal Financial Control Systems and its adequacy

Your Company has in place adequate internal control systems commensurate with the size of its operations. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal auditors and the reviews performed by management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2022-23.

### 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.

VIL has been recognized for being amongst Top 100 companies for Women in India 2022 by a study conducted by Avtar and Seramount BCWI Study 2022. During the Financial Year ending 2022-23, female representation in the VIL workforce increased by 2%. At least 50% hiring of women has been ensured in various campus hiring programs. Development programs have been rolled out for senior, middle and junior level women employees for career acceleration. Policies have been made more inclusive by introducing primary care givers and same sex partners as beneficiaries. Pulse checks and focused group discussions with all women colleagues and maternity return employees have been conducted to assess experience and impact of programs. Child care assistance, elder care assistance and mental well-being assistance has been introduced for all employees. Infrastructure support has been improved with dedicated parking facilities to expectant mothers and differently abled people in all major office locations. A large intervention has been initiated to provide geo tagged hygienic restroom facilities in sales beats where women are deployed.

### 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 and Sustainability Report

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

### Corporate Social Responsibility

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

The Company has revised the policy on Corporate Social Responsibility ("CSR") to include changes based on Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and the revised policy was recommended by the CSR Committee and approved by the Board and the same can be accessed on the Company's website at <https://www.myvi.in/investors/corporate-governance>.

In view of the losses incurred by the Company during the last three financial years, the Company has no obligation for CSR spend during the Financial Year 2022-23.

However, believing in giving and caring for the underprivileged and inclusion of all, as well as the dispensation of Ministry of Corporate Affairs, your Company spent ₹ 115 Mn towards CSR activities in Financial Year 2022-23. The spend during the year was as per the MCA directive to the Company to spend the unspent CSR obligation of ₹ 229 Mn for Financial Year 2017-18 in 8 equal instalments over 8 quarters, commencing from April 2021. Accordingly, the Board of the Company had passed a resolution to spend the unspent CSR obligation for Financial Year 2017-18 in eight equal quarters beginning from April–June 2021. During Financial Year 2022-23, Company has spent the remaining amount of ₹ 115 Mn and with this the unspent CSR obligation for Financial Year 2017-18 has been completed.

The CSR activities undertaken out of the contribution positively impacted the lives of around 26 Lakh people directly across 21 States through multiple initiatives undertaken in the domains of (a) education, (b) financial literacy, (c) empowerment of women, (d) agriculture & livelihood, (e) eradication of poverty. Your Company continued the projects of previous year which were of the duration of two years and also leveraged the technology platforms that have been developed during the course of the projects.

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 catalyze social prosperity, digital literacy and inclusivity. Your Company during the reporting year continued the support to 1.6 lakh farmers in Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh towards the much appreciated Smart Agri project where IoT solutions have been deployed for realtime inputs by farmers in their farm fields. Additionally, during the year 20,000 farmers were supported under the project in Varanasi. Similarly under Education, Financial Literacy and Women Empowerment support continued. Your Company during the year conducted the impact assessment of the projects. The impact assessment finding has shown 70% increase in the income of the smart agri project farmers, 93% Jigyasa project teachers are using ICT tools in teaching, 99% students of scholarship have reported that the scholarship helped to shape their ambition, 83% beneficiaries of Jaadu Ginni Ka project have reported improvement in awareness of digital financial services etc. Your Company continued the engagement with key stakeholders and during the India

Mobile Congress showcased the importance of IoT solutions through mobile technology to address the agriculture related issues.

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

### **Directors' Responsibility Statement**

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

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



## Directors and Key Managerial Personnel

During the year under review, Mr. Himanshu Kapania stepped down as Chairman of the Board whilst continuing to be a Non-Executive Director of the Company w.e.f. August 18, 2022.

Mr. Ravinder Takkar expressed his desire to step down from the position of Managing Director & Chief Executive Officer on completion of his term and continue to be a Non-Executive Director on the Board of the Company w.e.f. August 19, 2022. Accordingly, the Board decided to appoint Mr. Ravinder Takkar, as Chairman of the Board in place of Mr. Himanshu Kapania with effect from August 19, 2022.

Further, Mr. Arun Thiagarajan completed his second term as an Independent Director of the Company on August 26, 2022 and consequently retired from the Board. The Board places on record its sincere appreciation for the valuable guidance and contribution made by Mr. Arun Thiagarajan in the deliberations of the Board and Committees during his tenure as Director.

The Board, based on the recommendation of Nomination and Remuneration Committee, had appointed Mr. Anjani Kumar Agrawal as an Independent Director (Non-Executive) with effect from August 27, 2022 for a period of three years. The same was confirmed and approved by the members of the Company at the 27<sup>th</sup> Annual General Meeting held on August 29, 2022.

In accordance with the provisions of the Companies Act, 2013, Mr. Himanshu Kapania and Mr. Sushil Agarwal 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.

Post the year end, Mr. K.K. Maheshwari (representing Aditya Birla Group) resigned from the Board of the Company with effect from April 19, 2023. Further, Mr. Diego Massidda (representing Vodafone Group) resigned from the Board of the Company with effect from May 25, 2023. The Board places on record its sincere appreciation for the valuable guidance and contribution made by Mr. K. K. Maheshwari and Mr. Diego Massidda in the deliberations of the Board during their tenure as Director(s).

The Board based on the recommendation of the Nomination & Remuneration Committee appointed Mr. Kumar Mangalam Birla as an Additional Director (Non-Executive and Non-Independent), representing Aditya Birla Group effective April 20, 2023, who holds the office till the date of the ensuing Annual General Meeting (AGM). The Nomination and Remuneration Committee also

appointed Mr. Sateesh Kamath as an Additional Director (Non-Executive and Non-Independent), representing Vodafone Group effective May 25, 2023, who will hold office till the date of the ensuing Annual General Meeting (AGM). The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013, proposing the appointment of Mr. Kumar Mangalam Birla and Mr. Sateesh Kamath as Director(s) at the AGM. Accordingly, the Board recommends their appointment.

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

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

Mr. Akshaya Moondra, Chief Financial Officer of the Company was elevated to the position of Chief Executive Officer with effect from August 19, 2022 upon resignation of Mr. Ravinder Takkar. Further, Mr. Murthy GVAS who was the Finance Controller and Head Taxation, was appointed as Interim Chief Financial Officer of the Company w.e.f. February 15, 2023.

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

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

## Board Evaluation and Familiarization Programme

The evaluation framework for assessing the performance of Directors of your Company comprises of contributions at the meetings, strategic perspectives or inputs regarding

the growth or performance of your Company, among others. The evaluation parameters and the process have been explained in the Corporate Governance Report forming part of the Annual Report of the Company. The Nomination & Remuneration Committee have laid down the manner in which formal evaluation of the performance of the Board, its Committee and Individual Directors has to be made. The Board has carried out the Annual Performance Evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations.

The details of programme for familiarization of Independent Directors of your Company is available on your Company's website <https://www.myvi.in/investors/corporate-governance>.

### Remuneration Policy

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

The policy was formulated by the Nomination and Remuneration Committee in terms of Section 178(3) of the Companies Act, 2013 and it also includes the criteria for determining qualifications, positive attributes, independence of a Director and other matters. A copy of the said policy is available on the website of the Company <https://www.myvi.in/investors/corporate-governance>.

### Dividend Distribution Policy

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

### Board Meetings

During the year, eleven 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), which provides Passive Infrastructure Services and related operations and maintenance services to various telecom operators in India, including your Company. Indus is continuing as a related party, as the same is a Joint Venture of the Promoter Group.

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, 2023 is provided in Form AOC-2, which is attached as '**Annexure C**' to this report.

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

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

The policy on Related Party Transactions is uploaded on the Company's website <https://www.myvi.in/investors/corporate-governance>.

### 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 <https://www.myvi.in/investors/corporate-governance>.

### 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 pursuant to the recommendation of the Audit Committee and the Board of Directors; had at the 27th Annual General Meeting held on August 29, 2022, appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Firm Registration No. 101049W/E300004, as the Statutory Auditors of the Company for another period of five years till the conclusion of 32nd Annual General Meeting of the Company to be held in the Calendar Year 2027. Consequently, the existing Statutory Auditors have been re-appointed for another term pursuant to Section 139(2) of the Act.

### Auditors' Report and Notes to Financial Statements

The Board has duly reviewed the Statutory Auditors' Report on the Financial Statements including the emphasis of matter relating to the Company's financial condition as at March 31, 2023 and its debt obligations due for the next 12 months, which has impacted the Company's ability to generate the cash flow that it needs to settle/refinance

its liabilities as they fall due, which along with its financial condition is resulting in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern. The report does not contain any qualification, reservation, disclaimer or adverse remarks.

Note 4 to the standalone financial statements covers the Material Uncertainty Related to Going Concern issue and the comments under para xix of Annexure 1 to the Independent Auditors' Report, the clarification of which is self-explanatory. The Board believes that the Company's ability to continue as a going concern is dependent on raising additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. Pending the outcome of the above matters, these financial statements have been prepared on a going concern basis. As of date, the Company has met all its debt obligations.

Further, with regard to the comment under para i(a)(A) and i(b) of Annexure 1 to the Independent Auditors' Report relating to updation of situation and quantitative details relating to certain property, plant and equipment being relocated and physical verification of property, plant and equipment, it is reported that the Company had undertaken a large scale network integration activity in earlier years. Following completion of the said exercise, the Company had initiated the process of reconciliation of these property, plant and equipment, including updation of quantitative and situation details thereof in its records, which is likely to complete in the current year.

Further, with regard to the comment under para ix(d) of Annexure 1 to the Independent Auditors' Report regarding utilisation of funds raised on short term basis (in form of trade payable and other liabilities) for long term purposes (representing acquisition of property, plant and equipment and to fund the losses of the Company), it is reported that the funds have been utilised in line with the purpose for which they were raised.

### **Reporting of Frauds by Auditors**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee, 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 under Section 143(12) of the Act.

### **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, 2023. The Cost Auditors will submit their report for Financial Year 2022-23 within the timeframe prescribed under the Companies Act, 2013 and rules made thereunder. The Cost Audit report for the Financial Year 2021-22 did not contain any qualification, reservation, disclaimer or adverse remark.

The Board, on the recommendation of Audit Committee, has re-appointed M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors of the Company for Financial Year 2023-24.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors has to be ratified by the shareholders, the Board recommends the same for approval by shareholders at 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, 2023. The report of the Secretarial Auditor is annexed to this report as '**Annexure F**'. The contents of the Secretarial Audit Report are self-explanatory and do not contain any qualification, reservation or adverse remark.

As per Regulation 24A of the Listing Regulations, material unlisted subsidiaries of a listed entity incorporated in India is required to annex a Secretarial Audit Report issued by a Company Secretary in practice. Due to network of the Company being negative, Vodafone Idea Communication Systems Limited, Vodafone Idea Shared Services Limited



and Vodafone Idea Manpower Services Limited were material subsidiaries of the Company. In compliance with the requirement, the Secretarial Audit Report of material subsidiaries is attached as **Annexure F-1 to F-3** to the Annual Report.

### Compliance with Secretarial Standards

The Company has generally complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2), respectively issued by Institute of Company Secretaries of India.

### Annual Return

As provided under Section 92(3) and 134(3)(a) of the Act, read with Rule 12 of Chapter VII Rules of the Companies (Management and Administration) Amendment Rules, 2020, Annual Return in Form MGT-7 for Financial Year 2022-23 is uploaded on the website of the Company and can be accessed at <https://www.myvi.in/investors/annual-reports>.

### 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 become the fastest window to a world of information, better education, livelihood, employment, health, inputs on agricultural practices and governance.

Being a telecom company, VIL has been adopting various solutions/approaches to ensure that its networks are run in an energy efficient manner.

Our primary focus has been on reducing energy cost and minimizing environmental impact of the Company's operations. We prioritize adaptability, agility and foresight to ensure that our business models, operations, acquisitions and projects are not locked into unsustainable paths. Our sustainability journey gets complimented with our corporate responsibility agenda which 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.

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 and in continuing with our practices of community development in areas like education & skilling, women empowerment and agriculture.

We also firmly believe 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 address the needs and challenges related to sustainability. 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 etc. which help in Sustainability journey of the Company.

### 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 2022-23, 8 complaints pertaining to sexual harassment were received and as on March 31, 2023, 6 have been resolved and remaining 2 complaints are under investigation. PoSH awareness campaign helped in reinforcing awareness amongst employees. IC Committee members and HR colleagues have been trained on PoSH compliance.

### Other Disclosures

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

- Your Company has not issued any sweat equity shares.
- There was application made or proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations, other than the order passed by the Hon'ble Supreme Court on the AGR matter in October, 2019, 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.

**For and on behalf of the Board****Ravinder Takkar**

Non-Executive Chairman  
(DIN : 01719511)

Place : Mumbai  
Date : May 25, 2023

**Himanshu Kapania**

Non-Executive Director  
(DIN : 03387441)

## ANNEXURE 'A'

## Form AOC-I

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

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

### Part "A": Subsidiaries

Sr. Particulars No.	Name of Subsidiary										₹ Mn
	Vodafone Idea Manpower Services Limited	Vodafone Idea Communication Systems Limited <sup>(a)</sup>	Vodafone Idea Business Services Limited	Vodafone Idea Foundation	Vodafone Idea Shared Services Limited	Vodafone m-pesa Limited	Vodafone Idea Telecom Infrastructure Limited	Vodafone Idea Technology Solutions Limited	You Broadband India Limited		
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	
2	Reporting period	April 1, 2022 - March 31, 2023	April 1, 2022 - March 31, 2023	April 1, 2022 - March 31, 2023	April 1, 2022 - March 31, 2023	April 1, 2022 - March 31, 2023	April 1, 2022 - March 31, 2023	April 1, 2022 - March 31, 2023	April 1, 2022 - March 31, 2023	April 1, 2022 - March 31, 2023	
3	Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	
4	Equity Share Capital	1	4,053	1	-*	20	18	5	750		
5	Other Equity	27	(1,733)	(982)	-*	225	(7,036)	(124)	(1,474)		
6	Total Assets	118	2,534	4,871	494	1,658	42,840	121	2,286		
7	Total Liabilities	90	214	5,852	495	1,413	49,858	240	3,010		
8	Investments other than investments in Subsidiary	-	-	-	-	-	-	-	-		
9	Turnover (Total Revenue)	743	453	1,364	463	1,195	8,455	191	1,372		
10	Profit/(Loss) before Taxation	9	179	203	(1)	53	(1,130)	(18)	(452)		
11	Provision for Taxation	5	34	-	1	4	-	(11)	-		
12	Profit/(Loss) after Taxation	4	145	203	(2)	49	(1,130)	(7)	(452)		
13	Other Comprehensive Income/(Loss)	8	-	-	-	5	3	-	-*		
14	Total Comprehensive Income/(Loss)	12	145	203	(2)	54	(1,127)	(7)	(452)		
15	Proposed Dividend	-	-	-	-	-	-	-	-		
16	% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	

#### Notes:

1. Connect (India) Mobile Technologies Private Limited has been merged with Vodafone Idea Communication Systems Limited effective 31st January 2023.

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

**Part “B”: Associates and Joint Ventures**

₹ Mn

Sr. No.	Particulars	Associate	Joint Venture
		Aditya Birla Idea Payments Bank Limited®	Firefly Networks Limited
1	Last Audited Balance Sheet Date	March 31, 2019	March 31, 2022
2	Date on which the Associate or Joint Venture was associated or acquired	February 19, 2016	August 31, 2018
	Number of Shares held by the Company as on March 31, 2023	-	1,000,000
	Amount of Investment in Joint Venture / Associate <sup>#</sup>	-	10
	Extent of holding %	49.00%	50.00%
3	Description of how there is a significant influence	Refer Note 2 below	-
4	Reason why the Joint Venture is not consolidated	N.A.	N.A.
5	Net worth attributable to Shareholding as per latest audited Balance Sheet*	-	53
6	Profit / (Loss) for the year		
	i. Considered in Consolidation	-	5
	ii. Not Considered in Consolidation	-	-
7	Other Comprehensive Income / (Loss) for the year		
	i. Considered in Consolidation	-	-
	ii. Not Considered in Consolidation	-	-
8	Total Comprehensive Income / (Loss) for the year		
	i. Considered in Consolidation	-	5
	ii. Not Considered in Consolidation	-	-

**Notes:**

- There were no joint ventures liquidated during the Financial Year 2022-23
  - Significant influence by virtue of having Directors on the Board of Aditya Birla Idea Payments Bank Limited.
- # Amount of investment in joint ventures/associate is based on the carrying value of investments in the standalone financial statements of the Company.
- \* Represent networth attributable to the Company based on March 31, 2023.
- @ Aditya Birla Idea Payments Bank Limited (ABIPBL), had decided to wind up business voluntarily (voluntary winding up) on July 19, 2019 subject to requisite regulatory approvals and consent. The Company is currently under liquidation. Accordingly, the Company had made a provision for impairment of the entire amount of investments in ABIPBL of ₹ 2,788 Mn and additional amount of ₹ 98 Mn was contributed in proportion to shareholding towards liquidation expenses in earlier years.

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

**Ravinder Takkar**  
Non-Executive Chairman  
(DIN : 01719511)

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

Place: Mumbai  
Date: May 25, 2023

**Akshaya Moondra**  
Chief Executive Officer

**Murthy GVAS**  
Chief Financial Officer

**Pankaj Kapdeo**  
Company Secretary



## ANNEXURE 'B'

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

#### 1. Brief outline on CSR Policy of the Company:

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

#### 2. Composition of CSR Committee:

In compliance with Section 135 of the Companies Act, 2013, the Company has in place a CSR Committee, which comprises mainly of Independent Directors. The following Directors served as members of the CSR Committee during the Financial Year ended March 31, 2023.

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Neena Gupta	Chairperson (Independent Director)	1	0
2	Mr. Arun Adhikari	Member (Independent Director)	1	1
3	Mr. Krishnan Ramachandran	Member (Independent Director)	1	1
4	Mr. Ravinder Takkar	Member (Non-Executive Chairman)	1	1

#### 3. Weblink to access the Composition of CSR Committee, CSR Policy and CSR Projects:

Composition of CSR Committee: <https://www.myvi.in/investors/corporate-governance>

CSR Policy: <https://www.myvi.in/investors/corporate-governance>

#### 4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8

The detailed impact assessment report for FY 2021-22 is available on the website of the Company at <https://www.myvi.in/about-us/vodafone-foundation>.

A brief outline of the aforesaid Impact Assessments carried out is given herein below:-

##### a. Smart Agri: Leveraging Technology for Self-Subsistence to Enterprise Farming

The program is one of its kind in agriculture sector. It was conceptualized and designed to enhance livelihood of farmers through sustainable farming approaches and use of SMART technologies. It aims to improve the farm productivity, reduce input cost, enhance income of farmers etc. using IoT Solutions (automated weather station, soil moisture sensors, crop view camera, insect trap etc.) deployed in the farm field. During the year 1.6 lakh+ farmers were supported and provided real time information (farm advisory) related to weather, soil moisture, pests etc. for timely farm inputs. Farmers were also provided regular training and handhold support to apply correct and timely farm inputs. The project has been successful in improving the income and reduction of input cost.

The impact assessment of the project conducted by the third party has shown that the project farmers have better access to information and knowledge on good agricultural practices relevant to their agricultural needs, farm advisory services have led the farmers to adopt to the modern technology for farming. Training and inputs from Agri experts have benefitted the farmers in taking informed decisions and applying right agricultural inputs at right time etc. The impact assessment has reported 70% increase in the farmer's income, 27% increase in yield per hectare and 23% reduction in the input cost.

## b. Jigyasa

Vodafone Idea Foundation's flagship program in education – Jigyasa is a unique project which has been developed on the “Knowledge for life” model. 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 engaging. The program has also helped in augmenting the existing digital infrastructure in the project schools as needed.

During the year, 25,000 teachers were trained under the program on the use of digital technology in the classroom teaching and to augment her/his knowledge on teaching pedagogy. The program has also benefitted 8.5 lakh students (indirectly) and has helped them in improving their learning. Additionally, during the year 15 model schools have also been created.

The impact assessment conducted by the third party has shown a very encouraging impact of the program. As per the impact assessment report, 97% of the teachers reported the training to be engaging; 97.5% teachers reported satisfaction from the training; 94% teachers use ICT for delivering lessons after Jigyasa; 98.6% teachers reported improvement in students' behavior towards learning after Jigyasa.

## c. Jaadu Ginni Ka

Using the power of mobile technology, Vodafone Foundations' flagship programme on financial literacy - Jaadu Ginni Ka, aims to create awareness amongst youth, urban poor, farmers, artisans, rural women, micro-entrepreneurs, students (15 years and above) on the basic tenets of financial planning/management and several government schemes.

To make the people aware with the basic aspects of day to day finance, 8 customized vans in association with CSC academy were started under its Gali-Gali Gaon-Gaon model which is a mobile van-based direct-touch model. The association of the Company with CSC has been extremely vital as it has enabled to bring financial and digital literacy to the doorsteps of underserved community members through customized outreach vans in 45 districts of 21 States. This has helped in training of more than 20 Lakh people in financial literacy during the year with almost half of them being women.

The program has made a large scale impact related to financial literacy. An impact assessment of the program by the third party has shown that 84% respondents have awareness/knowledge of numeracy, inflation and risk diversification and they were able to apply those successfully; 83% beneficiaries reported improved awareness of digital financial services post the program; 83% beneficiaries feel confident in applying the concepts of financial literacy; 100% beneficiaries reported that they are involved in making financial decisions in their homes.

## d. Connecting for Good

Connecting for Good program is one of the key CSR programs of the Company. It aims to foster an ecosystem for promoting use of technology in addressing social challenges and empower NGOs to drive innovation, disseminate knowledge and upscale their interventions for greater impact through two distinct areas: Social App Hub and Solutions for Good - which are being offered to the target group.

Social App Hub was developed as India's first ever crowdsourcing platform that features over 1000+ socially relevant applications and disseminates plethora of knowledge on using technology for social good. Solutions for Good has built technology solutions to improve the operational and programmatic efficiencies of NGOs. Some of the key solutions developed are- Girl Rising – a mobile game that helps in breaking gender stereotypes; MyAmbar – a safety and well-being toolkit for women in distress; The ManagR – a programme and financial management tool for NGOs; DigiSakshar – on-demand digital literacy platform; ChildLine Case Reporting System – a mobile-friendly case reporting system for children in distress; MyAmbar Surakha Chakra - helps in addressing grievances of informal workers by building a robust mechanism based on Local Committees.

The project continues to help civil society organizations increase the impact of their work as they leverage technology innovatively. This year our solutions have received more than 4 lakh downloads and are being used extensively by these organizations and socially conscious users.

The impact assessment of the program carried by the third party has shown the positive impacts of the program - 85% respondents shared that Social App Hub has increased the visibility and sharing of best practices across social sector amongst key stakeholders; 86% respondents shared that they haven't come across any portal similar to social app hub; 84% respondents shared that Social App Hub has made it convenient to find relevant information and connections with right set of stakeholders through the solution; 84% respondents have suggested that the developed application will address the defined problems with respect to the different thematic areas.

#### **e. Vi Scholarships**

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

Leveraging our scholarship portal – [www.learningwithvodafoneidea.in](http://www.learningwithvodafoneidea.in), Vi Scholarships have helped thousands of teachers and students continue their education despite challenging circumstances created by the COVID-19 pandemic.

The programme also addresses a fundamental issue in education ecosystem – discovering scholarships offered by various organisations/universities/entities, for which, we have developed a scholarship discovery and assistance platform [www.learningwithvodafoneidea.in](http://www.learningwithvodafoneidea.in). More than 2 Lakh students have registered on our scholarship portal and more than 15,000 students have received a scholarship through our efforts.

Last year, Vi supported 500 scholarship to wards of beneficiaries who had lost one or both of their parents due to COVID-19. The scholarship amount provided them with much needed support which they used to pay for their school fees, procure essential digital equipment and books as needed.

The key findings of the impact assessment by the third party have shown 100% students experienced reduction in financial burden due to receipt of scholarship; 99% students responded that the scholarship helped to shape their ambitions; with the receipt of scholarship 91% teachers were equipped with better teaching materials; 72% students reported improvement in learning levels post the receipt of scholarship and 71% students experienced full reduction in financial burden due to receipt of scholarship.

#### **f. Digital Village: Empowering Communities – RSV**

The project aims to create rural micro entrepreneurs by leveraging the strength of technology and support to rural women in setting up local supply chain system right from procurement of raw produce to finishing and selling of these products by local rural women (RUDIBens). During the year 4500+ RUDIBens from Uttar Pradesh, Madhya Pradesh and Rajasthan were supported under the project. These RUDIBens have helped around 1.1 lakh families in getting hygienic and good quality products at their doorstep. The focus under the project during the year was primarily on building the capacity of the RUDIBens and processing centres in taking the project on the path of self-sustainability. RUDIBens are managing and running the processing centers which has helped them in improving their socio-economic condition, bringing them in digital literate fold.

The impact assessment conducted by the third party has shown that the project has positively impacted digital literacy, economic empowerment and social empowerment for RUDIBens. It has also influenced the lives of women working in the processing centres, the customers, the farmers and the family members of the RUDIBens. Some of the key findings of the impact assessment are - 90% respondents feel empowered as women with opportunities and skills because of RSV; 83% respondents shared increase in business skills and income enhancement; 100% respondents in the survey shared that they use the RSV application; 89% respondents shared that their average monthly income through RSV aggregated to ₹ 10,000; 5% in the range of ₹ 10,001 to ₹ 25,000 and 4% between ₹ 25,000- ₹ 50,000. 90% respondents shared that RSV project has strengthened their economic status.

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

None

**6. CSR Obligation for the Financial Year****(a) Average net profit of the company as per section 135(5) –**

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

**(b) Two percent of the average net profit of the company as per section 135(5) –**

- No obligation for the Financial Year 2022-23.

However, Ministry of Corporate Affairs (MCA) has directed the Company to spend the unspent CSR obligation aggregating to ₹ 229 Mn for Financial Year 2017-18 in 8 equal instalments over 8 quarters, commencing from April 2021. Accordingly, the Board of the Company had passed a resolution to spend the unspent CSR obligation for Financial Year 2017-18 in eight equal quarters beginning from April-June 2021. In the Financial Year 2022-23, the Company has spent ₹ 115 Mn, completing the unspent obligation of Financial Year 2017-18.

**(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years**

- Not Applicable

**(d) The amount required to be set-off for the financial year, if any**

- Not Applicable

**(e) Total CSR obligation for the financial year [(b)+(c)-(d)]**

₹ 115 Mn

**7. Amount Spent for the Financial Year****(a) Amount spent on CSR Projects:**

- Ongoing projects – ₹ 106 Mn
- Other than ongoing projects - Nil

**(b) Amount spent on Administrative Overheads – ₹ 6 Mn****(c) Amount spent on Impact Assessment, if applicable – ₹ 3 Mn****(d) Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹ 115 Mn****(e) CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (in ₹ Mn)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
115	Nil	NA	NA	Nil	NA



(f) Excess amount for set-off, if any: Not Applicable

Sr. No.	Particulars	Amount (in ₹ Mn)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

**8. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

Not Applicable

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2019-20	Nil			Nil	NA	Nil	
2	2020-21	Nil			Nil	NA	Nil	
3	2021-22	Nil			Nil	NA	Nil	

**9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : NO**

If Yes, enter the number of Capital assets created / acquired : Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity / Authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	NA	NA	NA	NA	NA	NA	NA

**10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.**

Not Applicable

The average net profits calculated for last three Financial Years is negative for the Financial Year 2022-23. However, Ministry of Corporate Affairs (MCA) has directed the Company to spend the unspent CSR obligation of ₹ 229 Mn for Financial Year 2017-18 in 8 equal instalments over 8 quarters, commencing from April 2021. Accordingly, the Board of the Company had passed a resolution to spend the unspent CSR obligation for Financial Year 2017-18 in eight equal quarters beginning from April-June 2021. In the Financial Year 2022-23, the Company has spent ₹ 115 Mn. With this spent the unspent CSR obligation of Financial Year 2017-18 has been completed. During the year, the Company's CSR initiatives positively impacted the lives of around 26 Lakh people directly across 21 States through multiple initiatives undertaken in the domains of (a) education, (b) financial literacy, (c) empowerment of women, (d) agriculture & livelihood, (e) eradication of poverty.

**Neena Gupta**

Chairperson – CSR Committee &  
Independent Director  
(DIN : 02530640)  
Place: London

**Ravinder Takkar**

Non-Executive Chairman  
(DIN : 01719511)  
Place : Gurugram

Date: May 24, 2023

## ANNEXURE 'C'

### 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 2022-23:**

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:

Sl. No.	Particulars	Information
(a)	<b>Name(s) of the related party and nature of relationship</b>	Indus Towers Limited (Indus) Entities having significant influence [includes Subsidiaries / JV / Associates of the entity to which the Company is a JV]
(b)	<b>Nature of contracts/ arrangements/ transactions</b>	Master Service Agreement (MSA) for Passive Infrastructure services and related Operations & Maintenance services.
(c)	<b>Duration of the contracts/ arrangements/ transactions</b>	The maximum term of each tenancy service contract executed for each passive infrastructure site under the MSA is 7 to 10 years or more year, with either party having a right to terminate, subject to certain conditions.
(d)	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</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 equipment on sites for providing telecom services. The aggregate value of the transaction for Financial Year 2022-23, towards availment of services from Indus is ₹ 90,824 Mn.
(e)	<b>Date(s) of approval by the Board, if any; and Audit Committee</b>	Audit Committee : May 24, 2023 Board Meeting : May 25, 2023
(f)	<b>Amount paid as advances, if any</b>	Nil

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

**Ravinder Takkar**

Non-Executive Chairman  
(DIN : 01719511)

**Himanshu Kapania**

Non-Executive Director  
(DIN : 03387441)

Place: Mumbai  
Date: May 25, 2023

**Akshaya Moondra**  
Chief Executive Officer

**Murthy GVAS**  
Chief Financial Officer

**Pankaj Kapdeo**  
Company Secretary

## ANNEXURE 'D'

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

#### A. CONSERVATION OF ENERGY

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

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

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

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

##### Networks

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

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

The initiatives undertaken are as below:

- Over 75% of VIL BTS portfolio - Outdoor BTS (25% reduction in energy consumption compared to Indoor BTS);
- Diesel elimination project initiated by VIL to reduce carbon footprint currently continued at over 13,000 sites;
- 100% of the telecom hardware procured by the Company is low power consuming telecom hardware;
- New Sites Deployment on Sharing Basis: >95% of the sites deployed were at existing 2G sites and/or shared sites as part of the mandated initiative to reduce carbon emissions and energy consumption;
- The Company continued active equipment energy saving initiatives like power saving features during low traffic period. All new packet-core deployments as well as new MSS/VoLTE circuit-core deployments use cloud architecture; and
- RET – solar based generation at over 1,000 tower co-owned sites.

#### Green IT

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

- Cloud Computing & Virtualization: The Company has set-up multiple, inter-connected, high capacity servers to provide a huge resource pool and centralized management through Cloud Computing enabling the delivery of Infrastructure as a Service (IaaS). This Cloud Computing initiative has resulted in reduction of hardware footprint & energy consumption as well as optimal utilization of resources; VIL Data Centre virtualization is 80% and all the critical services are hosted on Virtualization platform except Database node.
- Moving to MPS (Managed Print Services): The Company has initiated the process of deploying



managed print services for the working environment; VIL uses MPS services and it is deployed across.

- **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; VIL billing system is electronic and we are not printing invoices and end to end billing service works on electronic model.
- **Video Conferencing:** To reduce Green House Gases (GHG) 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; VIL is using Gmeet services for Video Conference and all the meetings are happening through Gmeet and doesn't require any travelling.
- **Night-watchman:** A script was deployed at System Centre Configuration Manager (SCCM) level, which checked for Powered ON & will shut down machines during off business hours; and
- **Power saving features implemented to reduce energy consumption.** VIL has implemented a 10 Minutes idle power policy in all the end user machines.

### **Data Centre - Airoli Navi Mumbai**

Your Company has 1 National Data Centre located at Airoli. The Data Centre is well under the "Efficient" category on the Standard Parameter of Power Usage Effectiveness (PUE). The Company measures Data Centre Energy efficiency on an ongoing basis and the Average PUE is 1.70 for Airoli Data Centre (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 cooled chillers are used at 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 Heating Ventilation and Air-Conditioning (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;
- Usage of Precision Air Conditioner (PAC) - Non DX units (without compressor and HVAC gases);
- Variable Frequency Drives (VFDs) have been installed in the Data Center's HVAC systems to automatically reduce the speed and power consumption of motors when there is lower system load including chilled water pump motors and cooling tower fan motors;
- Based on power audits and an extensive study of energy usage, various initiatives have been undertaken over the years to optimize the usage of electricity, such as:
  - Identification and rectification of hot spots; and
  - Optimization of lighting and AC Usage (By utilizing LED and occupancy sensor).
- Advanced chilled water optimization routines are a part of the chilled water system;
- 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 Bureau of Energy Efficiency (BEE) certified air conditioners in our facilities. The Company also uses Variable Refrigerant Volume (VRV) systems apart from the energy efficient chiller plants in your facilities.
- The Company's Energy Management includes regular monitoring of energy consumption of different types of loads on a daily basis and helps the Company to take corrective measures on an immediate basis. The Company's average square feet consumptions have reduced over a period and match the benchmarks for office space.
- Some of the other measures in the Company's office premises include:
  - Usage of Electronic ballasts instead of Copper ballasts for improved efficiency and reduction in energy consumption and emissions;
  - Usage of logic controlling for emergency lights, which automatically is set on during power failure;
  - VRV and inverter based air conditioning is being used in office area instead of a centralized system;
  - Switching off all non-critical loads (office AC, lights, unused meeting rooms/cabins etc.) after working hours; and

- Switching off all FACADE lights near to outer glass of premises.

- Your Company is replacing existing CFL based lighting fixtures to LED based fixtures on OPEX model for older facilities to achieve 100% conversion to lesser consumption loads.
- All new facilities are being designed to conform to Leadership in Energy and Environmental Design (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 2022-23 also.

#### Off-Site Renewable Energy (RE) Deployment:

This concept was initiated in past years based on Carbon abatement principle. In Financial Year 2022-23, we have the following renewables PPA at Andhra Pradesh, Karnataka, Tamil Nadu, Maharashtra, Madhya Pradesh and Delhi.

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

The capital investment on energy conservation equipment was not material during the Financial Year ended March 31, 2023.

## 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 4G data broadband connectivity across the country. The Indian market has been experiencing explosive growth in mobile broadband services, fueled 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 fiber layout has caused the Company to seek non-traditional ways for densification and optimization of its networks. The Company has embraced new technologies to overcome these challenges.

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

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

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

The cost of implementation of operations network is most optimal due to in-house handling of planning and designing. The speed to market was much better in terms of rural rollout and rollout of 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, converting a majority of units into outdoor units and eliminating the need for air-conditioning.

**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 : ₹ 33,729 Mn

(b) Total Foreign Exchange Outgo : ₹ 41,964 Mn

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

**Ravinder Takkar**

Non-Executive Chairman  
(DIN : 01719511)

**Himanshu Kapania**

Non-Executive Director  
(DIN : 03387441)

Place: Mumbai

Date: May 25, 2023

## ANNEXURE 'E'

### 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 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 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 2022-23 (₹ in Lacs)	% increase in Remuneration in FY 2022-23 <sup>#</sup>	Ratio of remuneration of each KMP to median remuneration of employees
1.	Mr. Ravinder Takkar Managing Director & Chief Executive Officer (Upto August 18, 2022)	-	Note (a)	Note (a)
2.	Mr. Akshaya Moondra Chief Executive Officer (From August 19, 2022 to March 31, 2023)	260.2	Note (b)	-
3.	Mr. Akshaya Moondra Chief Financial Officer (Upto August 18, 2022)	357.4*	8%	44.6
4.	Mr. Murthy GVAS Chief Financial Officer (w.e.f. February 15, 2023)	35.4	Note (c)	28.1
5.	Mr. Pankaj Kapdeo Company Secretary	168.5*	9.7%	14.4

#### Notes:

- (a) Mr. Ravinder Takkar was appointed as Managing Director & Chief Executive Officer of the Company with effect from August 19, 2019 for a period of three years and his term ended on August 18, 2022. He is not drawing any remuneration from the Company and accordingly the increase in remuneration and the ratio of remuneration to median remuneration is not applicable.
- (b) Mr. Akshaya Moondra has been elevated as Chief Executive Officer of the Company with effect from August 19, 2022. Hence, the increase in remuneration for FY 2022-23 is not applicable.
- (c) Mr. Murthy GVAS has been appointed as Chief Financial Officer of the Company with effect from February 15, 2023. Hence, the increase in remuneration for FY 2022-23 is not applicable.

\* The remuneration includes Performance Pay and payment under LTIP plan paid in the Financial Year 2022-23.

# Percentage increase in remuneration and ratio thereof is based on annualized remuneration.

- (ii) **The percentage increase in the median remuneration of the employees of the Company for the Financial Year 2022-23**

The median remuneration of the employees in the Financial Year 2022-23 was increased by 4%, as compared to the Financial Year 2021-22.

The Median Remuneration of Employees of the Company during the Financial Year 2022-23 was ₹ 11.7 Lacs.

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

There were 9,226 permanent employees on the rolls of Company as on March 31, 2023.

- (iv) **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2022-23 and its comparison with the percentage increase in the managerial remuneration**

The average increase in the remuneration of employees excluding Key Managerial Personnel during Financial Year 2022-23 was 8% and the average increase in the remuneration of Key Managerial Personnel was 8.4%.

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

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



# ANNEXURE 'F'

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2023

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

To,

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

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, (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 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, 2023 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, 2023 according to the provisions of:

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

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021;
- (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, 2021; **(Not Applicable for the period under review)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable for the period under review)**

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

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

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

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

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

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

#### **We further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 are 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**

1. Extraordinary General Meeting of the Company was held on 15<sup>th</sup> July, 2022 to issue 42,76,56,421 equity shares of face value of ₹ 10/- each for cash at a price of ₹ 10.20 per share aggregating upto ₹ 436.21 crore; or upto ₹ 42,76,56,421 warrants convertible into fully paid-up equity shares of the Company to Euro Pacific Securities Ltd., a Promoter of the Company;
2. Extraordinary General Meeting of the Company was held on 21<sup>st</sup> November, 2022 to issue on a preferential basis and private placement basis, upto 16,000 unsecured, unrated and unlisted Optionally Convertible Debentures of face value of ₹ 10,00,000/- at a price of ₹ 10,00,000/- per OCD aggregating upto ₹ 16,00,00,00,000/- each convertible into, 1,00,000 fully paid-up equity shares of the Company within a period of 18 (eighteen) months from the date of allotment of the first tranche of OCDs, to ATC Telecom Infrastructure Private Limited; and
3. Extraordinary General Meeting of the Company was held on 25<sup>th</sup> February, 2023 again to pass a special resolution to issue on preferential basis and private placement basis upto 16,000 unsecured, unrated and unlisted Optionally Convertible Debentures of face value of ₹ 10,00,000/- at a price of ₹ 10,00,000/- per OCD aggregating upto ₹ 16,00,00,00,000/- each convertible into, 1,00,000 fully paid-up equity shares of the Company within a period of 18 (eighteen) months from the date of allotment of the first tranche of OCDs, to ATC Telecom Infrastructure Private Limited since the allotment of OCDs to ATC could not be completed within the prescribed period of 15 days from shareholders' approval earlier resolution.

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

FCS No.: 4411

C.P. No.: 2924

Place: Ahmedabad  
Date: May 25, 2023

Peer review No.: 766/2020  
UDIN: F004411E000378906

To,

**The Members,  
Vodafone Idea Limited,**

Suman Tower, Plot No. 18, Sector-11,  
Gandhinagar-382011

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

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

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

FCS No.: 4411

C.P. No.: 2924

Peer Review No. 766/2020

UDIN: F004411E000378906

Place: Ahmedabad  
Date: May 25, 2023

# ANNEXURE 'F-1'

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

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

To,

The Members

**Vodafone Idea Shared Services Limited**

(CIN: U64204MH2016PLC287257)

10<sup>th</sup> Floor, Birla Centurion Century Mills Compound

Pandurang Budhkar Marg, Worli

Mumbai- 400030.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, provided in electronic form as per the representation of the Company is duly maintained as required under the Companies Act, 2013 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 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; (Not Applicable)
- 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; (Not Applicable)

- 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; - (Not Applicable)
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; - (Not Applicable)
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)
- (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; (Not Applicable)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)

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

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



- ii) The Company, being an unlisted Public Limited Company, has not entered into any Listing Agreement and hence the same is not commented upon, however Secretarial Audit is applicable as the Company is material subsidiary of Vodafone Idea Limited (a Company listed at BSE Limited & NSE Limited).

**We further report that**, based on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the following laws, regulations, directions, orders are applicable specifically to the Company:

- (a) Information Technology Act, 2000

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

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors, to the extent applicable.

Adequate notices were given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda are

sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. Majority decision is carried through unanimously and contrasting / contradictory views of members, if any are captured and recorded as part of the minutes.

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

**We further report that** during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

**Priti Sheth**

FCS: 6833

COP: 5518

Date: May 17, 2023

Place: Kiel

Peer Review: 1888/2022

UDIN: F006833E000320564

To,

The Members

**Vodafone Idea Shared Services Limited**

*(Formerly known as Vodafone India Ventures Limited)*

Our Secretarial Audit Report dated 17<sup>th</sup> May, 2023 is to be read along with this letter.

**We report that**

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

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

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

**Priti Sheth**

FCS: 6833

COP: 5518

Date: May 17, 2023

Place: Kiel

Peer Review: 1888/2022

UDIN: FO06833E000320564

# ANNEXURE 'F-2'

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

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

To,

The Members

**Vodafone Idea Communication Systems Limited**

(Formerly known as Mobile Commerce Solutions Limited)

(CIN: U74900GJ2008PLC125479)

2<sup>nd</sup> Floor, Block-A, Vodafone House,

Corporate Road Prahlad Nagar,

off S G Highway Ahmedabad GJ 380051 IN

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, provided in electronic form which as per the representation of the Company is duly maintained as required under the Companies Act, 2013 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 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; (Not Applicable)
- 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; (Not Applicable)

- 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; - (Not Applicable)
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; - (Not Applicable)
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)
- (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; (Not Applicable)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)

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

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

- ii) The Company, being an unlisted Public Limited Company, has not entered into any Listing Agreement and hence the same is not commented upon, however Secretarial Audit is applicable as the Company is material subsidiary of Vodafone Idea Limited (a Company listed at BSE Limited & NSE Limited).

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

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors to the extent applicable.

Adequate notices were given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. Majority decision is carried through unanimously and contrasting/contradictory views of members, if any are captured and recorded as part of the minutes.

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

**We further report that** during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

**Priti Sheth**

FCS: 6833

COP: 5518

Date: May 18, 2023

Place: Kiel

Peer Review No: 1888/2022

UDIN: F006833E000329122



To,

The Members

**Vodafone Idea Communication Systems Limited**

*(Formerly known as Mobile Commerce Solutions Limited)*

(CIN: U74900GJ2008PLC125479)

Our Secretarial Audit Report dated 18<sup>th</sup> May, 2023 is to be read along with this letter.

**We report that**

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

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

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

**Priti Sheth**

FCS: 6833

COP: 5518

Date: May 18, 2023

Place: Kiel

Peer Review: 1888/2022

UDIN: F006833E000329122

## ANNEXURE 'F-3'

FORM NO. MR.3  
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,

The Members,

**Vodafone Idea Manpower Services Limited**

Suman Tower Plot No. 18, Sector No. 11,

Gandhinagar, Gujarat 382011.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vodafone Idea Manpower Services Limited** (Formerly known as *Idea Cellular Services Limited*) (hereinafter called the "Company") during the financial year ended 31<sup>st</sup> March 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances/ board process and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the electronic data provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (Audit Period) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2023 according to the applicable provisions of:

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

The Company is a Material Subsidiary of M/s. VODAFONE IDEA LIMITED, a Listed Company. Provisions of the following Regulations and Guidelines prescribed are not applicable to the Company, since the company is not listed on any of the Stock Exchange(s) in India, for the financial year ended March 31, 2023 under report:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

- i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued

by The Institute of Company Secretaries of India.

- ii. The Company, being an unlisted Public Limited company, has not entered into any Listing Agreement and hence the same is not commented upon, however Secretarial Audit is applicable to the Company being a material subsidiary of Vodafone Idea Limited (a Company listed at BSE Limited & NSE Limited).

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

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

The Board Meetings wherever held at shorter notice, have obtained necessary consent from directors and same have been duly noted in Board meeting Minutes. The agenda and detailed notes on agenda were sent at Shorter Notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All resolutions/decisions including Circular Resolutions of

the Board of Directors are approved by the requisite majority and are duly recorded in the respective minutes.

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

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

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

For **VKMG & Associates LLP**  
**Company Secretaries**  
 FRN:L2019MH005300

**Anish Gupta**  
**Partner**

FCS: 5733, CP No. 4092

PRN: 1279/2021

Place: Mumbai

Date: May 18, 2023

UDIN: F005733E000328836

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

**"ANNEXURE A"**

To,

The Members,

**Vodafone Idea Manpower Services Limited**

*(Formerly known as Idea Cellular Services Limited)*

Suman Tower Plot No. 18, Sector No. 11,

Gandhinagar Gujarat 382011 IN.

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

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

5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures and systems on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **VKMG & Associates LLP**  
**Company Secretaries**  
FRN:L2019MH005300

**Anish Gupta**  
**Partner**

FCS: 5733, CP No. 4092

PRN: 1279/2021

UDIN: FO05733E000328836

Place: Mumbai

Date: May 18, 2023

## ANNEXURE 'G'

### DIVIDEND DISTRIBUTION POLICY

#### 1.0 INTRODUCTION

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

#### 2.0 TARGET DIVIDEND PAYOUT

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

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

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

#### 3.0 FACTORS TO BE CONSIDERED FOR DIVIDEND PAYOUT

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

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

#### 4.0 PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

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

#### 5.0 RETAINED EARNINGS

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



## 6.0 REVIEW

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

## 7.0 DISCLOSURE

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

## 8.0 DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

8.8 “Leverage Ratio” means, at any time, the ratio of the Net Financial Debt to LTM EBITDA, each of which shall have been determined with reference to the same time;

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

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

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

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

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

## 9.0 GENERAL

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

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDIAN WIRELESS SECTOR

India is the world's second-largest telecommunications market with a subscriber base of 1.1 Bn as on March'23. It has registered strong growth in the last decade with addition of 376 Mn subscribers. The mobile operators played a critical role in providing seamless connectivity to millions of Indians and contributed significantly towards the economic growth and employment generation.

The events that have marked the sector during the Financial Year 2022-23 are indeed the steps in the path towards transforming India into a digitally empowered society and knowledge economy. Firstly, the common enabler to achieve the objectives of Atmanirbhar Bharat and Make in India missions is 'technology' and the wireless sector is one of the key pillars to realise this vision of Digital India. Wireless sector is the firm backbone of innovations and new age technologies which are hallmark of India's transformation into a digital nation. Secondly, the Indian government has undertaken several initiatives to maximize the opportunity and ensure the financial stability of the telecom industry, such as Telecom Reform Package, lowering the reserve price of spectrum in 5G auctions, amending the Right of Way Policy and working towards redefining the regulatory framework via Draft Telecom Bill. Lastly, the DoT has offered additional spectrum through auction, reduced the SUC charges to NIL on the spectrum acquired through auction from 2022 spectrum auction and allowed spectrum payments to be spread over the spectrum validity period of 20 years, all of which enabled the telecom operators to make large commitments in the spectrum auctions as well as towards rolling out the next generation wireless networks.

During Calendar Year 2022, industry revenue grew by 20.1% almost reaching the peak of ₹ 2 trillion driven by tariff increases across all prepaid and post-paid plans and subscriber shift from 2G to 4G. These have helped drive ARPU and Revenue. Tariffs continue to remain unsustainable and need to increase significantly from current levels to improve overall industry health and generate reasonable returns for operators to promote investments, including investments towards new and emerging technologies. Further, the current ARPU levels are lower in comparison to historic trends, despite the fact that the consumer gets much more value in terms of unlimited voice and daily data allowances. All these facts indicate the market will be able to absorb further tariff hikes at regular intervals.

While the operational challenges continue, the consolidation of the industry from 8-10 operators earlier to three large private operators and one government operator, over a period of last few years, positions the surviving operators well to benefit from the growth opportunities on the back of increasing digital penetration in a digital-centric, post-pandemic world. India is one of the largest and fastest-growing digital economies in the world, with more than 800 Mn internet subscribers and an array of digital services for consumers and businesses. Increasing data consumption, especially through video, social media usage, gaming as well as increasing online commerce is driving strong demand for high speed internet which is expected to further increase in future. Tech innovators are increasingly leveraging the reach and convenience of mobile networks and services to deliver a host of digital lifestyle and life-saving services, including e-commerce, digital entertainment, digital health and disaster response. Further, adoption of wireless internet by those in the oldest and youngest age group has grown markedly since about a decade ago. India's largest world population, rapid urbanization and growing middle class ensure a growing subscriber base. The overall wireless tele-density for India as of March 2023 stood at 82.46% 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 57.46%, which represents a significant opportunity for the Indian telecom operators. All the telecom operators with their massive network investments, are well placed to benefit from these trends.

The continued accessibility to mobile services and low priced tariffs has spurred the growth and deployment of wireless broadband internet. Mobile broadband is the primary medium to access internet in India as the lack of adequate wired internet infrastructure restricted its growth only to major cities. Smartphones have been the epicenter of India's phenomenal data growth story as mobile data traffic increased by 3.2x while average data per user per month grew 2x in the last five years from 2018-2022 (Source: Nokia – India Mobile Broadband Index 2023). Smartphone has become the foremost platform to create, distribute and consume digital services in India. Smartphone adoption has increased from 21% in 2015 to 77% in 2022 (Source: GSMA Report India: on the road to a digital nation). This is backed by factors like high growth in the number of smartphone users, including growth in rural areas, usage of OTT platforms, social media, e-learning, online shopping and companies leaning towards hybrid/flexi working models. The strong growth in smartphone

users and the evolving capabilities of 4G and 5G networks open a much larger addressable market for sectors where internet is needed.

In a major industry development, the Spectrum Auction was conducted across 10 frequency bands i.e. Sub GHz band - 600 MHz, 700 MHz, 800 MHz band, 900 MHz band, Supra GHz band - 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, Mid 5G spectrum band 3300 MHz and High spectrum band 26 GHz band with a validity of 20 years. It commenced on July 26, 2022 and concluded on August 1, 2022 after 40 rounds of bidding spread over 7 days. The total spectrum placed for auction was 72,098 MHz and out of the total spectrum put to auction ~71% (51,236 MHz) was acquired by the four bidders. The cumulative pay-out amounts of the successful bidders was in excess of ₹ 1,500 Bn.

During the year, government has initiated consultation on Indian Telecommunication Bill proposing comprehensive legislation to replace three laws: the Indian Telegraph Act, 1885, the Indian Wireless Telegraphy Act, 1933, and the Telegraph Wires (Unlawful Possession) Act, 1950. Telecom and Digital Industry is evolving at a rapid pace. The government has recognized this and has proposed a future-fit Telecom Law, doing away with old Acts. It is a step in the right direction, with simplified rules to guide sector forward. It also allows government to respond to evolving situations in order to preserve consumer and larger public interest and maintain competition. Your Company continues to engage with the government on this matter and it is likely to be tabled in the Parliament in the monsoon session.

Digital nation has its foundation in digital infrastructure upon which digital services and applications are created, stored, distributed and consumed. Telecom is at the heart of the digital infrastructure with the potential to reshape the economy by enabling new operating models for businesses and transforming the way citizens interact with the society and environment around them. India is progressing to become a \$1-trillion digital economy by 2025 and wireless internet will play a major role. Further, 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, security, cloud and storage services.

## DISCUSSION ON VODAFONE IDEA'S OPERATIONAL PERFORMANCE

### Mobile Business overview

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

#### 1. Voice Services

Your Company offers Voice services in all 22 service areas. Your Company now covers more than 1.2 Bn Indians in over 487,000 census towns and villages with its Voice services. Your Company also provides 4G VoLTE across all 22 circles to provide enhanced voice experience to its 4G subscribers. Your Company also offers Voice over WIFI (VoWiFi) calling feature for its subscribers in several circles which is gradually expected to expand to rest of the country.

#### 2. Broadband Services

Your Company provides broadband data services on 3G and/or 4G platforms in all 22 service areas of India. Your Company's broadband coverage is available in nearly 341,100 census towns and villages, covering more than a billion of the Indian population. The population coverage on 4G is more than 1 Bn as well, as of March 31, 2023. During Financial Year 2022-23, your Company has been shutting down its 3G network, while it continues to focus on expansion of its 4G network. Your Company has thus seen a steady rise in 4G subscriber penetration (as a percentage of reported subscribers) increasing from 48.4% in Q4FY22 to 54.3% in Q4FY23. As your Company continues to focus on 4G network expansion, 4G subscriber penetration should further improve in the coming years.

#### 3. Content and Digital Offerings

Your Company offers not just enriched connectivity but also an array of digital products and services to complement the core business to address the requirements of today's digital society enabling individuals and enterprises to get a range

of benefits and value-adds. As Vi continues to strengthen its partnership portfolio, your Company has integrated all content on Vi app to allow easier access to users without having to download multiple apps. With this integration now Vi users can watch Movies, Web Series, Live TV Channels listen to Music, play Games, watch short Videos and access Jobs portal, Education and skilling propositions on the Vi app.

To provide best in class content to its customers, your Company has tied up with various content creators and OTT apps like ZEE5, Shemaroo Me, Hungama, YuppTV, ZeeTV, Colors, News18, Republic TV, TV Today, Atrangi, Pocket Films, Discovery live channels & VOD. The app provides a wide range of content including 400+ LiveTV channels in HD & SD format, 10,000 movies, TV Shows and short format videos in 16+ Indian languages. Additionally, your Company has product bundling tie ups with leading content providers like Amazon Prime, Disney Hotstar, Sun NXT and Sony LIV for its premium customers.

In line with focus to offer the best of entertainment services to its customers, your Company offers Music streaming service on Vi app for all its customers in association with Hungama Music. Further, your Company offers wide variety of individual as well as multiplayer or social gaming services on Vi app in partnership with OnMobile, a B2C cloud gaming platform. Your Company also provides eSports in partnership with Gamerji, an eSports start-up.

Lastly, your Company also offers Vi Jobs & Education on the Vi App in partnership with 'Apna' that offers free priority access in grey and blue collared space with India's largest job listing, 'Enguru', an English learning platform, and 'Pariksha', a mock test platform which facilitates preparation for government jobs.

#### 4. Other VAS Offerings

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

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

#### Long Distance Services and ISP

Your Company holds licenses for NLD, ILD, ISP and IP-1 services. These licenses are used to carry inter-circle voice traffic of your Company and also bring incoming voice traffic from top international carriers across the globe into India. Your Company also sends all of the outgoing International Voice traffic on its own network and the interconnections with these licenses enable it. These licenses also help your Company to offer various Enterprise Fixed Voice and Data Services to external customers like Enterprise, Government and Wholesale customers. The Company's ISP currently handles all captive subscriber traffic requirements.

#### Business Services

Vi Business provides total communications solutions to empower global and Indian corporations, public sector & government bodies, small & medium enterprises and start-ups. With well-established enterprise mobility, robust fixed line connectivity, world-class IoT solutions and insightful business analytics & digital solutions, your Company brings the smartest and newest technologies to serve businesses in the digital era. With the advantage of its global expertise and knowledge of local markets, Vi Business endeavours to be a trusted and valued partner for businesses in a digital world. As Vi Business progresses on the journey from **telco to techco**, your Company continues to strengthen engagement with customers with a range of offerings like Vi Secure, Integrated IoT, Managed SIP, and Vi Business Plus bundled mobility offering.

#### Competitive Strengths

##### 1. Competitive Spectrum Profile

Your Company has a total of 8,005.2 MHz of spectrum across various frequency bands out of which 7,975.2 MHz spectrum is liberalised and can be used towards deployment of any technology (2G, 3G, 4G or 5G). In July 2022 auction, your Company acquired mid band 5G spectrum (3300 MHz band) in 17 priority circles and mmWave 5G spectrum (26 GHz band) in 16 circles to offer superior 5G experience to customers as well as strengthen enterprise offerings and provide new opportunities for business growth in the emerging 5G era. In addition, your Company also acquired incremental 4G spectrum in 3 circles during the auction. This large spectrum portfolio across 22 circles allows your Company to create large broadband capacity and ability to offer better customer experience.



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

Spectrum Frequencies								
Circle	900	1800	2100	2300	2500	3300	26000	Total FDD x 2 + TDD
Andhra Pradesh	5.0	10.0	5.0	-	20.0	50.0	200.0	310.0
Assam	-	25.0	5.0	-	20.0	-	-	80.0
Bihar	-	13.4	5.0	-	10.0	50.0	-	96.8
Delhi	10.0	10.6	5.0	-	20.0	50.0	200.0	321.2
Gujarat	11.0	20.8	10.0	-	30.0	50.0	450.0	613.6
Haryana	12.2	15.8	15.0	-	20.0	50.0	400.0	556.0
Himachal Pradesh	-	11.2	5.0	-	10.0	-	-	42.4
Jammu & Kashmir	-	17.0	5.0	-	10.0	-	-	54.0
Karnataka	5.0	15.0	10.0	-	-	50.0	200.0	310.0
Kerala	12.4	20.0	10.0	10.0	20.0	50.0	800.0	964.8
Kolkata	7.0	15.0	10.0	-	20.0	50.0	200.0	334.0
Madhya Pradesh	7.4	18.6	5.0	10.0	20.0	50.0	400.0	542.0
Maharashtra	14.0	12.4	15.0	10.0	30.0	50.0	400.0	572.8
Mumbai	11.0	10.2	10.0	-	20.0	50.0	200.0	332.4
North East	-	25.8	5.0	-	20.0	-	-	81.6
Orissa	5.0	17.0	5.0	-	20.0	-	-	74.0
Punjab	5.6	15.0	10.0	-	20.0	50.0	300.0	431.2
Rajasthan	6.4	10.0	15.0	-	20.0	50.0	300.0	432.8
Tamil Nadu	5.0	11.4	15.0	-	-	50.0	300.0	412.8
Uttar Pradesh (East)	5.6	10.0	20.0	-	20.0	50.0	250.0	391.2
Uttar Pradesh (West)	5.0	15.0	10.0	-	20.0	50.0	350.0	480.0
West Bengal	7.4	23.4	5.0	-	20.0	50.0	400.0	541.6
<b>Total Liberalised Spectrum</b>	<b>135.0</b>	<b>342.6</b>	<b>200.0</b>	<b>30.0</b>	<b>390.0</b>	<b>850.0</b>	<b>5,350.0</b>	<b>7,975.2</b>
Non-Liberalised Spectrum	6.2	8.8	-	-	-	-	-	30.0
<b>Grand Total</b>	<b>141.2</b>	<b>351.4</b>	<b>200.0</b>	<b>30.0</b>	<b>390.0</b>	<b>850.0</b>	<b>5,350.0</b>	<b>8,005.2</b>

## 2. Extensive Network Infrastructure and Coverage

Your Company has a strong network footprint across the country which enables it to offer comprehensive consumer offerings as well as have substantial capacity spectrum to address the growing data demand. Your Company has large network assets in the form of 2G, 3G, 4G equipment and country wide Optical Fibre Cable (OFC). Your Company has ~184,400 unique towers across 487,000 census towns and villages covering more than 1.2 billion of Indian population. Your Company has over ~443,500 broadband (3G+4G) sites across over 341,000 census towns and villages. Your Company's broadband coverage stands at over a billion Indian population with presence in ~170,400 unique broadband locations as of March 31, 2023. The 4G population coverage stands at over 1 billion as well, as of March 31, 2023. Your Company has a combined portfolio of almost 294,000 km of OFC including own built and Indefeasible Right of Use (IRU) OFC, and excluding overlap. Your Company also has Pan-India Voice over LTE (VoLTE) services and has also started to offer VoWiFi services in select circles, which will be gradually rolled out in rest of the country.

Your Company continues to focus on enhancing its 4G infrastructure. During the year, your Company continued to aggressively upgrade its 3G network to 4G. 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. Your Company also deploys Dynamic Spectrum Re-farming (DSR), Massive MIMO and Small Cells to maximize spectrum efficiency.

## 3. Large Subscriber Base

Your Company has 225.9 Mn subscribers as of March 31, 2023, of which 122.6 Mn are 4G 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, content and other digital services.

## 4. Power Brand

Your brand **VI**, which was launched in September 2020, continues to garner strong awareness, building brand affinity across all customer segments in the country. Your Company continues to make extensive progress on the marketing front by communicating key differentiators to consumers, entering into alliances and introducing various innovative products and services.

Brand **VI** is building a competitive advantage by increasing customer engagement and heralding a new digital ecosystem with Music, Games, Ads, Jobs & Education Services. In line with the Company's strategy of accelerating unlimited base & 4G adoption through differentiated product offerings, VIL continued to promote the Hero Unlimited Pack for prepaid users which highlighted the benefits of Unlimited night data, weekend data rollover across TV & digital. The refreshed postpaid plan offering more benefits, more data, more entertainment & more privileges – Vi Max postpaid, with differentiated offering from competition was promoted extensively through TV, digital & retail.

In a country which is passionate about cricket, your Company engaged with users through Vi 20 FANfest on social media and stayed one of the buzziest brand of the IPL 2022 and Women's IPL 2023. Your Company's communication strategy focused on strengthening brand stature by leveraging on the fastest 4G credentials with the #BestIsGettingBetter campaign. A #SpeedSeBadho song was created in collaboration with Raftaar to build affinity with the youth, the song was trending on YouTube. A one of a kind integration was done with Kaun Banega Crorepati, a television gameshow, introducing 'KBC Golden Week with Vi' giving Vi consumers a chance to sit at the coveted hot seat and Amitabh Bachchan calling seamlessly through video call to a friend was made possible through Vi – India's fastest 4G.

All these initiatives have been extensively promoted across TV, Digital as well outdoor media, which is leading to stronger perception, improving customer engagement as well as brand affinity. **VI** Brand has won several industry recognitions. Vi won the best social media brand in Telecom and the best use of Video for '#LookUp this Diwali' campaign at the SAMMIES 2022. Vi won the Silver Award for Meme Marketing at ET Brand Equity SPOTT Awards 2022. Vi was awarded Silver for Best Use of Topical Posts in a Campaign at the E4M Indian Digital Marketing Awards 2022. Vi also won two awards in the ET Brand Equity – India DigiPlus Awards 2023 i.e. Silver for Best Use of Performance Marketing and bronze for Digital Campaign in the B2B Category.

## Overview of Key strategic initiatives

Your Company's core priority has been to focus on providing superior customer experience and drive differentiation through partnerships, all this with the aim of improving cash generation in existing businesses and drive monetization in the new revenue streams. Resultantly, Financial Year 2022-23 is the first year where your Company has registered annual revenue growth post-merger despite various challenges

being faced, clearly reflecting its ability to effectively operate and compete in this market. Your Company has reported seven quarters of sequential growth in several key metrics including ARPU and 4G subscribers. In fact, the YoY ARPU growth of 9.3% in Quarter 4 of Financial Year 2022-23 is highest amongst wireless operators. All of this is possible only because your Company is focused on below strategic initiatives to improve revenue and profitability as well as to strengthen its overall position in the market :

### **1. Focus on Network Investments**

Your Company, continues to have a focused approach to investments, biased towards its 17 priority circles, which contribute 98% of its revenue and 93% of industry revenue, to further strengthen its position in these markets as most of the incremental capex is being directed towards these 17 circles.

During Financial Year 2022-23, your Company's network investments were focused on expanding high speed broadband network coverage and capacity by rolling out new sites, upgrading our core and transmission network as well as refarming 2G & 3G spectrum to 4G. Your Company has closed around 26,700 3G sites during the year and most of these sites already had one carrier of 2100 MHz band deployed towards 4G. Resultantly, our broadband site count stands at 443,537 vs 455,264 a year ago despite adding almost 15,000 new 4G sites during the year. The Re-farming of 3G spectrum to 4G on majority of sites in various cities has substantially enhanced the GIGAnet 4G capacity which is now over 3.1x compared to September 2018, just after the merger. Your Company has also been driving fiberization of 4G sites to support capacity expansion and the overall fiber footprint stands at ~294,000 km, including own built as well as IRU, excluding overlapping routes.

Your Company's relentless pursuit to offer better 4G experience, through integration and incremental network investments post-merger, is visible through the top rankings across various third party reports on both data and voice during the year. Your Company also had the highest rated voice quality in the country as per TRAI's "MyCall" app data for 25 out of 29 months consecutively between November 2020 and March 2023. This is not only providing a great experience for its customers but also helping your Company drive stronger network perception leading to better customer response in the market.

Your Company has the advantage of having latest 4G equipment and technologies which are capable of upgrade to 5G. Your Company has already deployed and using an array of 5G technologies such as Massive MIMO, DSR, Open RAN,

Cloudification of core etc. Your Company is working towards rolling out 5G for consumers and will be ready to take off with 5G once funding is in place. In the meantime, your Company has live 5G clusters in Delhi and Pune where it has partnered with various OEMs to test compatibility of available 5G handsets. Further, your Company is in advanced stages of discussion with various network vendors for finalisation of the 5G rollout strategy.

### **2. Market initiatives to improve ARPU**

Your Company's priority remains on driving ARPU improvement.

While the tariff hike in November 2021 was a step in the right direction, ARPU's are still far from being sustainable. Tariff increases remain critical to revive the sector and pricing structure has to change where operators have the ability to charge customers for incremental usage. India has amongst the lowest ARPUs in the world despite having one of the highest data usage per subscriber. Your Company believes the market will be able to absorb further tariff hikes, which is essential to operators to generate reasonable returns on their capital employed and support future investments, including investment towards advance technologies.

While tariff hike remains critical to improve the overall industry health, your Company has undertaken several market initiatives to improve ARPU with focus on driving 4G/UL plan penetration. Your Company ran several campaigns to incentivize 2G handset customers upgrading to smartphones including cashback on monthly recharges and 0% Interest EMI Schemes on Device Financing in conjunction with OEMs and NBFCs.

As a part of Customer excellence drive, your Company continues to aggressively focus on digitalization of customer servicing as well acquisition across all touch points with a clear focus towards shift to digital. Your Company now has digital acquisition across major cities in India, for both prepaid and postpaid customers, including same day door step delivery and digital KYC processes, serviced through its dedicated delivery partners as well as own stores.

### **3. Focus on Business Services and new fast growing segments**

Your Company is well positioned in enterprise offerings across the industry verticals and has built strong relationships with its enterprise customers by providing Enterprise grade solutions and services over the last several years. Business Services will always remain a strength area for your Company given its long standing relationships with its enterprise customers

and global know how of Vodafone Group, which provides strong platform for future growth in this segment. Despite the challenging environment, your Company has seen strong growth in several of the non-mobility enterprise segments during the year.

Your Company is progressing ahead in its stated strategy of transformation from Telco to TechCo. Vi Business continues to maintain strong positioning 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'. With Vi Integrated IoT Solutions, Vi Business offers a secure end-to-end IoT solution, across industries, for Smart Infrastructure, Smart Mobility and Smart Utilities. In line with our strategy towards innovation in IoT, we have recently showcased our industry first IoT lab to test and certify IoT devices. Our IoT Lab has been built in partnership with C-DOT, with an aim to simplify IoT solutions deployment and bring standardization and interoperability among IoT devices and applications as per 'One M2M' standard in the country.

In new business streams, your Company has launched "Vi Secure" in collaboration with global technology leaders providing comprehensive cyber security portfolio with a range of reliable solutions that offers protection against multiple threats arising from network, cloud and end points, enabling businesses to achieve their digital objectives in a secure manner. Further, in the growing hybrid working scenario, Vi Business Plus Mobility Bundling solutions are enabling today's mobile workforce to connect, communicate, collaborate and do a lot more with their postpaid plans. Bundled with benefits such as data pooling, mobile security, location tracking and entertainment, Vi Business Plus provides superior customer experience, with seamless and uninterrupted high speed data. The award winning digital experience offerings such as Vi App, Vi Business-Wireline & Vi Business-Mobility are allowing organizations to manage from anywhere and at any time with least manual intervention. Vi Business has been recognized for innovation and excellence in Customer Service and for Vi Business Hub, at Voice and Data Awards 2023.

Your Company's technology leadership in IoT eSIM and Mobility eSIM has been globally recognized by Counterpoint in their L.E.A.D.E.R benchmark for eSIM ecosystem. Vi Business was recognized for Best Innovation and Creativity in B2B Marketing for ReadyForNext at the Mint Marketing Awards 2022. Vi Business has also been recognized by Frost & Sullivan for Indian Cellular IOT Connectivity Service Provider Company of the Year 2022 and Indian SIP Trunking Technology Innovation Leadership Award 2022. At CIO Choice

2023, Vi Business has been chosen as the preferred partner of choice for SIP Trunk, Telecom Carrier (Mobile Access), Managed Mobility Services, Cloud Telephony and Telecom Carrier (International access) on the basis of an extensive Pan-India CIO referral voting process that spans across industry verticals. Vi Business Carrier services has been awarded with the A2P SMS Monetization of the Year Award (India) at Asian Telecom Awards 2023.

#### 4. Driving Partnerships and Digital Revenue Streams

Your Company continues to focus on its platform capabilities to offer deeper integration with its partners for a differentiated experience, create monetization opportunities and truly become an integrated digital service provider. Your Company offers "best-in-class" content in partnership with several global and regional content aggregators.

Your Company is seeing strong growth on the Movies, live TV and Music users on Vi app. This is on the back of various curated content and events that were created for the users. In order to drive deeper engagement on Music, LIVE music concert was launched on Vi app wherein renowned bands & artists like, Indian Ocean, Sunidhi Chauhan, Euphoria, Sara Gural and Mame Khan had performed. Your Company continues to explore such relevant entertainment experiences. With aim to build relevant propositions to be able to drive meaningful engagement, your Company launched a new channel – BYTES on Vi app in partnership with NDTV to provide quick bytes of trending news & stories across sports, films & lifestyle as snackable content is in huge demand.

During the year, your Company enhanced its gaming proposition in partnership with OnMobile with the launch of multiplayer or social games on Vi app enabling users to play various games with their family or friends or compete in daily tournaments with other players on the platform. The uniqueness of the proposition is evident with the depth of engagement wherein average gameplay time per user is over 30 minutes in a day. Your Company has also launched eSports into Vi Games which is a growing phenomenon, especially amongst youth, in partnership with eSports start-up Gamerji. It has not only enabled users to engage in eSports through the range of tournaments on Vi platform, but also introduced live streaming of eSports tournaments for our users, which again, is a fast growing category.

Your Company has also launched our own Ad-tech platform called 'Vi Ads', which empowers marketers to engage with Vi users, as per their own targeting requirements, on both, Vi media assets as well as external media channels and

publisher partners of Vi Ads. It is going to help us drive the monetization of our digital users as we aggressively build and scale our digital assets. Vi Ads is now empaneled with almost all the top media agencies and we are part of the media plan for some of the big brands in the country.

On the back of all these digital initiatives, your Company has witnessed considerable growth in its Monthly Average Users on the digital app and expects to witness further acceleration in Financial Year 2023-24. The focus on platform capabilities to build a digital ecosystem with the partners for a differentiated experience will help drive customer stickiness as well as provide incremental monetization opportunities.

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. Your Company is thus committed to delivering best-in-class services to their subscribers and bridging the digital divide that separates urban from rural.

## SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS BASED ON STANDALONE FINANCIAL

The key financial ratios are as under:

Particulars	2022-23	2021-22
Debtors Turnover Ratio (number of days) <sup>1</sup>	20	23
Current Ratio <sup>2</sup>	0.38	0.47
Debt Equity Ratio <sup>3</sup>	(2.73)	(3.11)
Debt Service Coverage Ratio <sup>4</sup>	0.25	0.27
Interest Service Coverage Ratio <sup>5</sup>	0.33	0.38
Operating Profit Margin (%) <sup>6</sup>	(15)%	(19)%
Net Profit Margin (%) <sup>7</sup>	(70)%	(74)%
Return on Net Worth (%) <sup>8</sup>	NA <sup>8</sup>	NA <sup>8</sup>

<sup>1</sup> Debtors Turnover Ratio (number of days) = (Average trade receivables/ Revenue from operations)\*Number of days during the period.

<sup>2</sup> Current Ratio = Current asset/ Current liabilities (excluding Short term borrowings).

<sup>3</sup> Debt Equity Ratio = Debt (excluding interest accrued but not due)/ Equity.

<sup>4</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 liabilities) + interest capitalised + scheduled long term principal repayments (excluding prepayments)].

<sup>5</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 liabilities) + interest capitalised].

<sup>6</sup> Operating Margin (%) = [Profit/(loss) before exceptional items and tax + Finance costs - Other Income] / Revenue from Operations (improved mainly due to higher revenue).

<sup>7</sup> Net Profit Margin (%) = Net Profit/(loss) after tax / Revenue from operations.

<sup>8</sup> As the Net-worth is negative as on March 31, 2023 and March 31, 2022.

## DISCUSSION ON CONSOLIDATED FINANCIAL RESULTS

### Revenues

Revenue from operations for the Financial Year ended March 31, 2023 increased by ₹ 36,617 Mn and stood at ₹ 421,772 Mn for the Financial Year ended March 31, 2023 as compared to ₹ 385,155 Mn for the Financial Year ended March 31, 2022, primarily due to tariff hikes, improving subscriber mix and 4G subscriber additions.

Other Income comprising of interest income and gain on Mutual Funds and Others stood at ₹ 3,113 Mn for the Financial Year ended March 31, 2023 as compared to ₹ 1,294 Mn for the Financial Year ended March 31, 2022. The increase is mainly on account of increase in interest income amounting to ₹ 1,594 Mn, gain on Mutual Funds by ₹ 110 Mn, Others by ₹ 115 Mn.

**Operating Expenses:** Total operating expenditure for the Financial Year ended March 31, 2023 increased by ₹ 28,808 Mn to ₹ 253,602 Mn from ₹ 224,794 Mn incurred for the Financial Year ended March 31, 2022.

**Employee Benefit Expenses:** Employee benefit expenses for the Financial Year ended March 31, 2023 stood at ₹ 18,663 Mn from ₹ 17,351 Mn for the Financial Year ended March 31, 2022 resulting in increase of ₹ 1,312 Mn primarily due to increments in salary.

**Network Expense and IT Outsourcing Cost:** Network Expense and IT Outsourcing Cost increased by ₹ 2,601 Mn from ₹ 98,182 Mn for the Financial Year ended March 31, 2022 to ₹ 100,783 Mn for the Financial Year ended March 31, 2023 primarily due to increase in power and fuel expenses, repairs and maintenance - plant and machinery expenses and IT outsourcing cost to ₹ 57,667 Mn, ₹ 28,153 Mn and ₹ 7,536 Mn for the Financial Year ended March 31, 2023 from ₹ 56,579 Mn, ₹ 26,969 Mn and ₹ 6,939 Mn for the Financial Year ended March 31, 2022 respectively.



**License Fees and Spectrum Usage Charges:** License Fees and Spectrum Usage Charges decreased by ₹ 1,967 Mn from ₹ 41,988 Mn for the Financial Year ended March 31, 2022 to ₹ 40,021 Mn for the Financial Year ended March 31, 2023, primarily as a result of decrease in SUC rates due to spectrum acquisition done in August 2022.

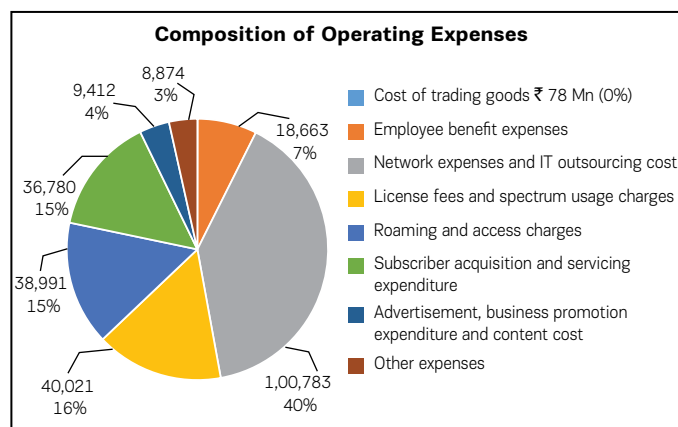
**Roaming and Access Charges:** Roaming and Access Charges increased by ₹ 9,836 Mn from ₹ 29,155 Mn for the Financial Year ended March 31, 2022 to ₹ 38,991 Mn for the Financial Year ended March 31, 2023.

**Subscriber Acquisition and Servicing Expenditure:** Subscriber Acquisition and Servicing Expenditure, increased by ₹ 17,069 Mn from ₹ 19,711 Mn for Financial Year ended March 31, 2022 to ₹ 36,780 Mn for Financial Year ended March 31, 2023 primarily due to higher amortisation of cost capitalised.

**Advertisement, Business Promotion Expenditure and Content Cost:** Advertisement, Business Promotion Expenditure and Content Cost decreased by ₹ 379 Mn from ₹ 9,791 Mn for the Financial Year ended March 31, 2022 to ₹ 9,412 Mn for the Financial Year ended March 31, 2023 primarily due to decrease in Advertisement and Business Promotion Expenditure.

**Other Expenses:** Other expenses increased by ₹ 328 Mn from ₹ 8,546 Mn for Financial Year ended March 31, 2022 to ₹ 8,874 Mn for the Financial Year ended March 31, 2023 primarily due to higher travel and conveyance cost.

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



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

The EBITDA has increased by ₹ 9,628 Mn from ₹ 161,655 Mn for Financial Year ended March 31, 2022 to ₹ 171,283 Mn for Financial Year ended March 31, 2023. EBITDA as a

percentage of Total Income decreased to 40.3% compared to 41.8% for Financial Year ended March 31, 2022.

### Depreciation, Amortisation and Finance Costs

The depreciation charge for the year has decreased by ₹ 3,985 Mn from ₹ 146,569 Mn for Financial Year ended March 31, 2022 to ₹ 142,584 Mn for Financial Year ended March 31, 2023. The amortisation charge for the year has decreased by ₹ 1,361 Mn from ₹ 89,274 Mn for Financial Year ended March 31, 2022 to ₹ 87,913 Mn for Financial Year ended March 31, 2023.

Finance Costs for Financial Year ended March 31, 2023 increased by ₹ 23,735 Mn from ₹ 209,808 Mn to ₹ 233,543 Mn, primarily due to increase in interest on lease liabilities.

### Exceptional Items

Exceptional Items for the Financial Year ended March 31, 2023 amounting to ₹ (224) Mn comprises of (Loss) / Gain on remeasurement of leasehold land.

### Profits and Taxes

The loss before tax for the Financial Year ended March 31, 2023 stood at ₹ 292,976 Mn as compared to a loss of ₹ 282,341 Mn for Financial Year ended March 31, 2022. The loss after tax for Financial Year ended March 31, 2023 stood at ₹ 293,011 Mn as compared to a loss of ₹ 282,454 Mn for Financial Year ended March 31, 2022.

### Capital Expenditure

During the Financial Year 2022-23, the capital expenditure (including capital advances and excluding RoU assets and Spectrum) incurred was ₹ 31,527 Mn. Further, the Company has incurred ₹ 1,977 Mn towards Bandwidth. In addition to this, the Company has acquired spectrum of ₹ 187,863 Mn (consisting of upfront payment of ₹ 16,800 Mn and balance ₹ 171,063 Mn towards deferred payment obligation).

### Balance Sheet

The Gross and Net Block of Property, Plant and Equipment and Intangible Assets (including Capital Work in Progress and Intangible Assets under development) stood at ₹ 3,334,732 Mn and ₹ 1,741,316 Mn respectively as at March 31, 2023. Investment in joint venture and associate stood at ₹ 58 Mn (net of provision for impairment) primarily due to share of profit in joint venture. Non-current and current other financial assets decreased by ₹ 29,564 Mn from ₹ 148,653 Mn to ₹ 119,089 Mn primarily due to decrease in cash and cash equivalents and other bank balances. Other assets (non-current and current) decreased by ₹ 8,360 Mn from ₹ 219,696 Mn to ₹ 211,336 Mn primarily

due to decrease in advance tax and GST recoverable which is offset by increase in Costs to obtain a contract with the customers. Deferred tax assets as at March 31, 2023 stood at ₹ 135 Mn as compared to ₹ 60 Mn as at March 31, 2022. Assets classified as held for sale (AHFS) stood at ₹ 493 Mn as at March 31, 2023.

The paid-up equity share capital of the Company increased by ₹ 165,609 Mn during the year pursuant to issuance of 16,133,184,899 equity shares to Government of India (GOI) as part of conversion of NPV of interest related to deferment of spectrum auction installments and AGR dues and 42,76,56,421 equity shares to promoter group entity due to exercise of conversion option against share warrants.

Other equity of the Company decreased from ₹ (940,836) Mn as at March 31, 2022 to ₹ (1,230,388) Mn as at March 31, 2023 mainly due to loss during the year ₹ 292,900 Mn which is offset by increase in securities premium. As on March 31, 2023, the total equity stood at ₹ (743,591) Mn as compared to the total equity of ₹ (619,648) Mn for Financial Year ended March 31, 2022.

Long term and short term borrowings increased by ₹ 106,683 Mn and stood at ₹ 2,015,860 Mn as on March 31, 2023 primarily due to new spectrum acquired during the year, annual accrued interest addition on spectrum obligation and AGR dues which is offset by conversion of loan relating to interest on deferred spectrum instalments and AGR dues into equity and loan repayments during the year.

Non-current and current other financial liabilities increased by ₹ 149,350 Mn and stood at ₹ 718,402 Mn for Financial Year ended March 31, 2023 primarily due to increase in lease liabilities, increase in interest accrued but not due, increase in accrual towards One Time Spectrum Charges (OTSC) and increase in trade payables which is primarily off-set by decrease in payables for capital expenditure.

Non-current and current other liabilities and provisions increased by ₹ 46 Mn from ₹ 81,710 Mn for Financial Year ended March 31, 2022 to ₹ 81,756 Mn as on March 31, 2023 mainly due to increase in Taxes, Regulatory and Statutory Liabilities which is primarily off-set by decrease in deferred revenue and advance from customers.

### Cash Flow Statement

The cash generated from operations of ₹ 188,687 Mn, proceeds from allotment of equity shares under share warrant of ₹ 4,320 Mn, proceeds from borrowings of ₹ 35,824 Mn, interest received of ₹ 941 Mn and Net sale of current

investments amounting to ₹ 290 Mn which was primarily used for net repayment of lease liabilities and borrowings of ₹ 165,999 Mn payment towards capital expenditure (net of sale proceeds) ₹ 38,565 Mn, payment of interest and finance charges ₹ 20,940 Mn, payment towards spectrum and licenses - upfront payment of ₹ 16,800 Mn and placement of Fixed Deposits with banks having maturity of 3 to 12 months of ₹ 2 Mn. Consequently, Cash and Cash Equivalents as at March 31, 2023 stood at ₹ 2,288 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.

### Health & Safety and Pandemic Care

At VIL, Health, Safety and Wellbeing (HSW) are not just priority, these are our core values. We are committed to "not doing business by putting people at risk". Our continued efforts and focus on our Absolute Safety rules and standards backed by a strong governance mechanism has helped us end the year with Zero work related fatality.

### Diversity and Inclusion

At VIL, we realize that Diversity and Inclusion at the workplace helps foster an open and healthy work environment and is critical to our business strategy. Our constant connect with our women colleagues through small group discussions and pulse surveys, sensitization workshops with managers and leaders allow us to build a larger appreciation of the challenges our women colleagues shoulder and build various enabling platforms and policies to help them be effective at work. We are happy to share that Vodafone Idea Limited has been recognised as being among the 100 best companies to work for Women in India by Avatar & Seamount BCWI Study 2022.

## 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. Auction of Spectrum 2022

On April 11, 2022, TRAI submitted its recommendations on 'Auction of spectrum in frequency bands identified for IMT/5G'. Thereafter, the Spectrum Auctions were conducted by Department of Telecommunications (DoT) in July, 2022. Your Company participated in the auctions and acquired 6,237 MHz of spectrum across 2100 MHz, 2500 MHz, 3300 MHz and 26 GHz bands at an aggregate value of ₹ 187.86 Bn. Post July 2022 spectrum auction, your Company's overall spectrum holding is 8005.2 MHz across different frequency bands out of which 7975.2 MHz spectrum is liberalized and can be used towards deployment of any technology (2G, 3G, 4G or 5G).

### 2. Draft Telecommunications Bill

In July 2022, the Government initiated the consultation process on 'Need for a new legal framework governing Telecommunication in India' based on the consultations and deliberations, a draft Indian Telecommunication Bill, 2022 was released for further consultations on September 21, 2022. The draft bill carries provisions for right of way for Telecom Infrastructure, Restructuring, Defaults in Payment and Insolvency, a special framework for governing defaults, provision for an alternate dispute resolution mechanism, establishment of a telecom development fund, measures for protection and duty of users, prescribing matrix of penalties laying down principles of nexus and proportionality, etc. The final bill once promulgated will result in the repeal of the Indian Telegraph Act, 1885, the Indian Wireless Telegraphy Act, 1933 and the Telegraph Wires (Unlawful Possession) Act, 1950. Your Company also participated in the consultation process and submitted its written comments to the Department of Telecommunications. Further, your Company continues to engage with Department of Telecommunications to develop a modern and future-ready legal framework in telecommunications.

### 3. Issuance of Equity Shares to Government of India under Telecom Reforms Package of 2021

On September 15, 2021, the Government announced a comprehensive reform package for the Indian telecom

sector including measures to address the structural, procedural and liquidity issues. To address the immediate liquidity concerns of the sector, Government provided an option of up to four years of moratorium on AGR dues and spectrum instalments due between October 2021 and September 2025 with an option to convert interest arising from such deferment into equity upfront. Your Company had opted for deferment of Spectrum and AGR dues as well as conversion of interest arising from such deferment into equity.

Further, on January 10, 2022, the Board of your Company also approved the upfront conversion of the full amount of interest arising due to deferment of spectrum instalments and AGR dues into equity.

Accordingly, in line with the Reforms and Support Package for Telecom Sector communicated earlier and the conversion option exercised by the Company as provided for therein, Ministry of Communications, Government of India passed an order on February 3, 2023 under section 62(4) of the Companies Act, 2013, directing the Company to convert the loan representing the NPV of the interest related to deferment of spectrum auction instalments and AGR dues into equity shares to be issued to the Government of India. The total amount ascertained for conversion into equity shares was ₹ 161,332 Mn.

Subsequently in a meeting held on February 7, 2023, the Board of Directors of the Company allotted 16,133,184,899 equity shares of face value of ₹ 10/- each at an issue price of ₹ 10/- per equity share to Department of Investment and Public Asset Management, Government of India (acting through President of India).

### 4. Moratorium for AGR related dues upto Financial Year 2018-19

In line with the Reforms and Support Package for Telecom Sector, as approved by the Union Cabinet in September 2021, the Department of Telecommunications offered the deferment of AGR related dues upto Financial Year 2018-19 and not tabulated in the Hon'ble Supreme Court order dated September 1, 2020 by four years, with NPV protected, along with revised payment schedule. Further, your Company was also given a one-time opportunity to exercise the option for equity conversion of interest dues upfront.

Your Company opted for deferment of the above dues by four years in June'22. Your Company however did not opt for conversion of interest dues arising out of deferment of AGR dues pertaining to this specific moratorium into equity.

## 5. Right of Way Reforms 2022

The Government of India has continued with its reforms process and announced Indian Telegraph Right of Way (Amendment) Rules, 2022. These amended rules, inter-alia, incorporate provisions for usage of street furniture for installation of small cells and telegraph line. Fees and charges for seeking RoW permissions by the Telecom Service Providers (TSPs) and Infrastructure Providers (IPs) have also been rationalized to bring uniformity across the country.

Further, the Government of India has also launch "Gati Shakti Sanchar" Portal to streamline the process of Right of Way (RoW) Applications and permissions across the Country. The portal acts as an enabler for "Ease of doing business" for telecommunications infrastructure works by enabling applicants from various Telecom Service Providers (TSPs) as well as Infrastructure Providers (IPs) to apply at a common single portal for Right of Way permissions to lay down Optical Fiber Cable and for erecting mobile towers.

## 6. Draft Digital Personal Data Protection Bill 2022

The Government of India released the draft of the Digital Personal Data Protection Bill on November 18, 2022 for public consultation. The Explanatory Note accompanying the Bill stated that the Bill is based on 7 universal/global principles of the Data Economy viz. (i) fair, transparent and lawful usage of personal data, (ii) purpose limitation of personal data, (iii) data minimization, (iv) data accuracy, (v) storage limitation, (vi) data safeguards/security and (vii) data accountability and further that in drafting the Bill, the Government had considered inputs received on the earlier draft of the Bill and also data protection legislations of Australia, EU, Singapore, and prospective legislation of USA. The Bill covers the rights and duties of the data fiduciaries and also the users, contains special provisions with regard to transfer of personal data outside India and exemptions, lays down a compliance framework including setting up of a data protection Board and power to make rules and amend schedules, etc.

## 7. Rating of Buildings or Areas for Digital Connectivity

On February 20, 2023, TRAI issued its recommendations that Digital Connectivity Infrastructure (DCI) be made an essential component of building development plans on the lines of water, electricity, gas, fire safety, etc. and that the Property Manager (PM) of the building should allow DCI access to all service providers in a fair, non-chargeable, transparent & non-discriminatory manner and should not enter into any exclusive arrangements/agreements with any infrastructure/service provider.

TRAI further recommended that the PM should ensure that the licensee compulsorily gives access of such equipment to all service providers in a fair, transparent, non-discriminatory and non-exclusive manner and the proviso for compulsory sharing of active wireless equipment in buildings to be made part of Unified License.

To encourage sharing, TRAI also recommended that the revenues earned by sharing of active wireless equipment, as part of DCI, should not attract License Fees.

Further, TRAI recommended establishing a Council of DCI (CoDCI) under DoT, MoC in collaboration with MoHUA, or any other appropriate organisation/institution. This CoDCI will be responsible for all decisions for certification, registration & capacity building of DCI Professionals. It has also recommended that Rating of Buildings for digital connectivity would be made mandatory for all existing and new buildings of public importance within 2 years of issue of regulatory framework by TRAI or 2 years from obtaining Occupancy Certificate, whichever is later.

## 8. Use of Street Furniture for Small Cell and Aerial Fiber Deployment

On December 29, 2022, TRAI recommended that all Central Government entities should earmark dedicated spaces in their existing and planned buildings/structures to install Digital Connectivity Infrastructure including small and macro cells. All such spaces should be GIS mapped and made available on portal for charge free use by TSPs/IP-Is on non-discriminatory basis. Such advisory guidelines are also to be issued to State Governments for similar action by their entities.

Further, TRAI recommended enabling provisions or suitable terms and conditions in all telecom licenses and IP-I registration agreement prohibiting TSPs/IP-I



providers from entering into any exclusive contract or right of ways with infrastructure owners/CAAs or any other authority. All asset controlling authorities are also prohibited to enter into exclusive rights/exclusive tie-up with any licensee/registration holder to ensure street furniture infrastructure is offered in a non-exclusive and non-discriminatory manner.

Furthermore, TRAI recommended that the charges paid by lessee TSP to lessor TSP for use of shared infrastructure should be reduced from the Gross Revenues of the lessor TSP to arrive at Applicable Gross Revenue (ApGR) of such Lessor TSP.

Also, it has been recommended that Low Power Base Transceiver Stations (LPBTS) be defined as those BTS that radiate EIRP  $\leq$  600 W and such equipment/small cells be exempted from seeking permission from any authority except from the street furniture/building owning Agency at all places. DoT to increase the current radiating limit from 100 W to 600 W to cover most of the Small Cells/LPBTSs that are being deployed. Considering the sheer volume of Small Cells, TRAI recommended that self-certification criteria for LPBTS be relaxed to five years.

## 9. AGR matter


Application was filed by the Company in AGR matter in Hon'ble Supreme Court seeking modification of the Hon'ble Supreme Court Order dated September 1, 2020, to clarify that it does not bar DoT from considering submissions of the Company on manifest errors, has been dismissed by the Hon'ble Supreme Court on July 23, 2021.

Subsequently, on August 10, 2021, the Company filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application again and the same is pending for final disposal.

## Opportunities, Risks, Concerns and Threats

The prevalent hyper-competition over the last few years has led the Indian mobile industry to consolidate from 8-10 operators to an optimal structure of three private operators and one government operator. The telecom reform package announced by the Government in September 2021 was another step to ensure healthy competition in the sector. Indian telecom operators are well poised to benefit from the compelling macro-economic backdrop, growth in smartphone usage and growing digital adoption. All the existing

telecom service providers, operators have made significant investments towards expanding broadband network across the country. Due to lack of adequate infrastructure, the growth of wired internet has been restricted to major cities as a result of which wireless remains the preferred means of connecting to the internet. The increasing 4G coverage and low priced 4G services have led to significant increase in 4G users. However, there is significant headroom for broadband wireless penetration (as a percentage of population) to improve further as rest of India upgrades towards broadband connectivity. The growth in social media usage, rapidly increasing content consumption and growth in online commerce coupled with introduction of 5G will continue to drive demand for broadband services.

The key strategic initiatives of your Company along with its competitive spectrum footprint across circles, significant network investments and customer affinity to its unified brand  positions it well to benefit from these trends.

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. 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. During the year, your Company acquired mid band 5G spectrum (3300 MHz band) in 17 priority circles, mmWave 5G spectrum (26 GHz band) in 16 circles and incremental 4G spectrum in 3 circles in the spectrum auction conducted by DoT. Your Company has a competitive spectrum portfolio and robust network footprint and continues to invest in the new emerging network solutions to adapt to any future technological changes. Your Company has been deploying an array of 5G concepts and technologies such as Massive MIMO, DSR, Open RAN, Cloudification of core and edge cloud/deployment. Your Company is closely watching the development on the 5G front and gearing itself to offer 5G services in the near future.

Your Company's business is dependent on key Network and IT equipment suppliers for management and continuity of its Network, IT and Business Processes. These networks



may also be vulnerable to technical failures or any natural calamity. Your Company has robust network & IT security processes and disaster recovery plans. Your Company is in partnership with global leaders in Network equipment and IT services and enjoys very long standing healthy relations with all its suppliers.

There exists material uncertainty relating to your Company's ability to continue as a going concern which is dependent on its ability to raise additional funds as required, successful negotiations with lenders on continued support and generation of cash flow from operations that it needs to settle/renew its liabilities/guarantees as they fall due. As of date, your Company has met all its debt obligations.

### Outlook

Your Company will continue its journey of becoming a truly integrated digital service provider through its several strategic initiatives as well as continue to make investments for expanding 4G coverage and capacity especially in its 17 priority circles and introduce 5G services once funding is in place. Your Company will continue to focus on improving ARPU by driving the penetration of Unlimited (UL) pricing plans as well as digitalization of customer servicing and distribution channels with an aim to provide the best of customer experience to retail and enterprise customers. Your Company expanded its digital offering during the years and will look to scale up such offerings with the intent of monetization. In Business Services, your Company will increasingly focus on

new and fast growing segments such as Cloud services and IoT. To further drive the digital agenda, your Company will look for deeper integration opportunities with its partners using its platform capabilities to provide a differentiated telco++ experience and value for partners as well as customers.

Your Company will remain focused on providing superior data and voice experience and building a differentiated digital experience with focus on increasing 4G subscribers. Your Company has acquired mid band 5G spectrum (3300 MHz band) in 17 priority circles, mmWave 5G spectrum (26 GHz band) in 16 circles and incremental 4G spectrum in 3 circles to prepare itself for the next leg of growth in the industry. During the year, promoter group invested further ₹ 4.4 Bn in your Company taking the total fund infusion to ₹ 49.4 Bn between Mar'22 and Jun'22. In February 2023 your Company has issued equity shares to the Government consequent to conversion of the interest related to deferment of AGR and spectrum dues. Further, ATC has subscribed to Optionally Convertible Debentures amounting to ₹ 16 Bn clearly reflecting the relationship that the Company shares with its key vendors, their belief in long term prospect of the Company and builds confidence towards further capital raise. Your Company remains engaged with lenders and investors for further fund raising. All these initiatives coupled with the support provided by the Government reforms package will enable your Company to make network investments and compete effectively to improve its competitive position.

---

### Cautionary Statement

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

# CORPORATE GOVERNANCE REPORT

## Company's Philosophy on Corporate Governance

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

Corporate Governance has always been intrinsic to the management of the business and affairs of our Company. Given the market and regulatory movements, the Company has continued to inculcate, imbibe and perpetuate governance tenets. Corporate Governance in VIL is a reflection of principles entrenched in our values and policies, leading to value driven growth. At VIL ensuring fairness, transparency and accountability across all business processes is of utmost importance. We believe that good governance practices stem from the culture and mindset of the organization. While making business decisions our objective is to meet stakeholders' interest and societal expectations. We at VIL are committed in fostering and sustaining a culture that integrates all components of good governance and demonstrates highest standard of ethical and responsible business conduct. Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time [hereinafter referred to as 'Listing Regulations'], the details of which for the Financial Year ended March 31, 2023 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, telecommunications, 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, 2023, the Board comprised of twelve members consisting of one Non-Executive Chairman, six Independent Directors (including one Independent Woman Director) and five Non-Executive Directors.

Mr. Himanshu Kapania stepped down as the Non-Executive Chairman of the Board w.e.f. August 18, 2022 and is continuing as a Non-Executive Director on the Board of the Company. Mr. Ravinder Takkar, whose term as Managing Director & CEO of the Company ended on August 18, 2022 was appointed as the Non-Executive Chairman of the Company w.e.f. August 19, 2022. Mr. Arun Thiagarajan, Independent Director retired with effect from close of business hours on August 26, 2022 upon completion of his second term as an Independent Director. Mr. Anjani Kumar Agrawal was appointed as an Independent Director of the Company w.e.f. August 27, 2022 for a period of three years. There have been no other changes in the Board of Directors during the year under review.

As regards, changes in the Key Managerial Personnel of the Company, Mr. Akshaya Moondra, who was the Chief Financial Officer of the Company has been elevated as Chief Executive Officer of the Company w.e.f. August 19, 2022 for a period of three years. Further, Mr. Murthy GVAS, who was the Finance Controller and Taxation Head was appointed as the Interim Chief Financial Officer of the Company w.e.f. February 15, 2023.

The Composition of the Board of Directors and the number of Directorships and Committee positions held by them as on March 31, 2023 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. Ravinder Takkar	Non-Executive Chairman	1	-	-	1. Indus Towers Limited (Non-Executive Director)
Mr. Himanshu Kapania	Non-Executive	-	-	-	-
Mr. Sushil Agarwal	Non-Executive	3	2	-	1. Aditya Birla Capital Limited (Non-Executive Director)
Mr. K. K. Maheshwari	Non-Executive	2	1	-	1. Ultratech Cement Limited (Non-Executive Vice Chairman) 2. Aditya Birla Sunlife Insurance Company Limited (Non-Executive Director)
Mr. Diego Massidda	Non-Executive	-	-	-	-
Mr. Sunil Sood	Non-Executive	1	1	-	1. Indus Towers Limited (Non-Executive Director)
Mr. Arun Adhikari	Independent	5	4	-	1. Aditya Birla Capital Ltd. (Independent Director) 2. UltraTech Cement Ltd. (Independent Director) 3. Voltas Ltd. (Independent Director) 4. Aditya Birla Fashion & Retail Limited (Independent Director)
Mr. Arun Thiagarajan <sup>3</sup>	Independent	2	2	-	1. GE Power India Ltd. (Independent Director) 2. TTK Prestige Ltd. (Independent Director)
Mr. Ashwani Windlass	Independent	4	1	2	1. Hindustan Media Ventures Ltd. (Independent Director) 2. Jubilant Foodworks Ltd. (Independent Director) 3. Bata India Limited (Independent Director)
Mr. Krishnan Ramachandran	Independent	4	-	-	-
Ms. Neena Gupta	Independent	1	-	-	-
Mr. Suresh Vaswani	Independent	1	2	-	1. Mastek Limited (Independent Director)
Mr. Anjani Kumar Agarwal <sup>4</sup>	Independent	5	2	4	1. Hindustan Zinc Limited (Independent Director) 2. Firstsource Solutions Limited (Independent Director) 3. Emami Limited (Independent Director)

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Retired as an Independent Director upon completion of his term w.e.f. August 26, 2022.

<sup>4</sup> Appointed as an Independent Director w.e.f. August 27, 2022.

Subsequent to the end of the Financial Year 2022-23, Mr. K.K. Maheshwari resigned from the Board of the Company with effect from April 19, 2023. Further, Mr. Diego Massidda resigned from the Board of the Company with effect from May 25, 2023. The Board based on the recommendation of the Nomination & Remuneration Committee appointed Mr. Kumar Mangalam Birla as an Additional Director (Non-Executive and Non-Independent), effective April 20, 2023, subject to the approval of the members at the ensuing Annual General Meeting. Further, Mr. Sateesh Kamath was appointed as an Additional Director (Non-Executive and Non-Independent), effective May 25, 2023, subject to the approval of the members at the ensuing Annual General Meeting.

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

None of the Director(s) on the Board holds directorship in more than ten public limited companies and in more than seven listed companies. Further, none of the Independent Directors serves as an Independent Director in more than seven listed companies. Also, none of the Director is a member of more than

ten Committees or Chairman of more than five Committees, across all the Companies in which he/she is a Director.

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

<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>	Overall outlook on efficiency, profitability and management.

	Industry knowledge & Innovation	Financial Expertise	Risk Management	Legal Compliance	Sales and Marketing	Strategy	Technology & Networks	Corporate Governance	Sustainability	Human Resource Development	General Management
Mr. Ravinder Takkar	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Mr. Himanshu Kapania	✓	✓	✓		✓	✓	✓	✓		✓	✓
Mr. Arun Adhikari			✓	✓	✓	✓		✓	✓	✓	✓
Mr. Ashwani Windlass	✓	✓		✓		✓	✓	✓			✓
Ms. Neena Gupta			✓	✓	✓	✓		✓	✓	✓	✓
Mr. Krishnan Ramachandran		✓		✓	✓	✓		✓	✓	✓	✓
Mr. Suresh Vaswani	✓	✓	✓		✓	✓	✓	✓		✓	✓
Mr. Anjani Kumar Agrawal*		✓	✓	✓		✓		✓			✓
Mr. Sunil Sood	✓	✓		✓	✓	✓	✓		✓	✓	✓
Mr. Diego Massidda	✓	✓	✓		✓	✓	✓	✓			✓
Mr. Sushil Agarwal	✓	✓	✓			✓		✓	✓	✓	✓
Mr. K. K. Maheshwari	✓	✓	✓	✓		✓		✓	✓		✓

\*Appointed on the Board of the Company w.e.f. August 27, 2022.

A brief profile of the Directors are as under:

**Mr. Ravinder Takkar** holds a Bachelors degree in Science from Loyola Marymount University, USA in 1991. He has an overall work experience of over 31 years of which 29 years is with Vodafone. Prior to his current role as the Non-Executive Chairman of the Company, Mr. Takkar was the Managing Director & CEO up till August 18, 2022. 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. He was also a CEO of Vodafone Romania for three years and CEO of Vodafone Partner Markets in London. Mr. Takkar 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 of Vodafone 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 as Vodafone Idea

Limited after merger with Vodafone India Limited, is presently the Non-Executive Director on the Board of the Company. Mr. Kapania is leading the new foray of Grasim into Decorative Paint business as business head with an initial investment of ₹ 10,000 crore. He is also the business head of 'Birla White' and is on the Board of 'RAK' company for White Cement & Construction Materials, UAE. He has over 37 years of work experience in 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, Construction Sector & Digital Services industries. He is the current Chairman of FICCI Council on 'Telecom, Electronics and Digital Economy' and FICCI Task Force on 'Privacy and Data Security'.

**Mr. Krishna Kishore Maheshwari** is a Chartered Accountant. He is currently Vice-Chairman and Non-Executive Director of UltraTech Cement Ltd. He is a proven leader with expertise in strategy and finance, a passion for building outstanding teams and a disciplined focus on innovation and excellence in



operations. In a distinguished career spanning four decades, of which 37 years have been with the Aditya Birla Group, Mr. Maheshwari has held several key leadership roles, including that of steering the Group's Chemicals, International Trading, Pulp and Fibre, Textiles and Cement business. Mr. Maheshwari is credited with steering the growth of each of the businesses towards a more competitive and sustainable model and has overseen various greenfield and brownfield expansions as well as strategic acquisitions globally.

**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, Aditya Birla Fashion and Retail 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 of 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 (Operations). 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 48 years of experience in general management.

**Mr. Suresh Vaswani** holds a Bachelor of Technology (Honours) degree in Metallurgical 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 Inc., board member of Tech/SAAS companies Innoveo AG Switzerland and Acqueon US where he is also the Chairman. He also serves as an Independent Director on the Board of Mastek Limited. 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. Sunil Sood** is an alumnus of Harvard Business School, and a distinguished alumni awardee of Indian Institute of Management, Calcutta and Indian Institute of Technology, Delhi. He started his telecom journey with Vodafone in 2000 and over the years has held several senior positions including Managing Director & Chief Executive Officer for Vodafone India Ltd. (April 2015 – August 2018). He was the Group Commercial Director, AMAP and Group M-Pesa & Financial Services Director of Vodafone Plc from September 2018 to September 2020. He began his career in the FMCG industry with Lakme in various roles across India and also did roles in other emerging markets in Africa and South East Asia, including the role of CEO of PepsiCo in Bangladesh. His career and experience gained in FMCG, Telecommunications & Fin-Tech extends over 37 years. He is currently a Board member of Vodacom South Africa. He was the former Chairman of Cellular Operators Association of India (COAI), the industry body for GSM telecom operators in India as well as the former Chairman of the British Business Group (BBG) Mumbai, a confederation of organizations with interests in India & UK and a member of several prestigious industry bodies/ associations/public policy forums.

**Mr. Diego Massidda** an Italian by nationality, holds a degree in Hydraulic Civil Engineering from the Università di Cagliari, Italy and a Master in Business Administration from INSEAD, France. He has over 19 years of telecommunications experience at CEO level, managing wireline, TV and wireless businesses prior to moving to the current position of CEO of Vodafone Partner Markets, a business which provides services to other telcos in 45 different countries. He joined Vodafone in 2007 as Group Director of Broadband and Online, and from 2009 to 2011 he was Group Director of Video and Connected Home. From 2011 to 2016, he served as CEO of Vodafone Hungary. He is a Director of Vodafone Sales & Services Ltd. and of TPG Telecom Ltd., an Australian telecommunications operator listed on the ASX, where Vodafone has 25% ownership. Prior to joining Vodafone, Mr. Massidda was CEO of the ISPs Tiscali South Africa, Liberty Surf Group (listed on the Paris Stock Exchange), and Telecom Italia in France, trading under the Alice Brand. He has also worked for 6 years with McKinsey & Company earlier in his career.

**Mr. Sushil Agarwal** is a Chartered Accountant and holds a Master's degree in Commerce. He is the Group Chief Financial Officer of Aditya Birla Group and Director of Aditya Birla Management Corporation Private Limited. He is also a member of the Business Review Council, which is an institutionalized mechanism for bringing in wider managerial perspectives and leadership experiences into reviewing the development, growth and operations of the Group's businesses. He has been with the Aditya Birla Group since the beginning of his career in 1989 and has a unique distinction of working closely with the former Chairman Late Mr. Aditya Vikram Birla and current Chairman Mr. Kumar Mangalam Birla. He has worked closely with several businesses of the Aditya Birla Group and has richly contributed in many Restructurings, Mergers and Acquisitions and Fund Raising initiatives of the Aditya Birla Group with his widely acknowledged financial acumen and analytical skills. He is familiar with operations in most states in India and several countries abroad and is best known for his strong connections and relationship with the global investors and industry stalwarts.

**Mr. Anjani Kumar Agrawal** is a Chartered Accountant, CIA and is an alumni of INSEAD and Cambridge Institute for Sustainability Leadership. He has over 42 years of professional experience in leading global consulting firms, which includes 35 years with Ernst & Young (EY) where he was a partner for 26 years. He set up the Risk Advisory practice of the firm and led it for several years. His area of expertise includes governance, risk & controls, corporate governance, board effectiveness, business transformation, strategic risk

management, performance improvement and sustainability reporting. He had been a global sector leader for the firm. He has also worked with the Union Government and NITI Aayog on several policy matters. He is a Fellow member of Institute of Directors and guest speaker at Management Institutes. He also serves as Independent Director on the Boards of Hindustan Zinc Ltd., Firstsource Solutions Ltd., Emami Ltd., Aditya Birla Sunlife Trustee Co. Pvt. Ltd., Welspun Corp Limited, Evonith Value Steels Limited and Evonith Metallics Limited.

### 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 results, operations, business policy and strategy apart from other Board businesses. In case of urgent business exigencies some resolution(s) 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.

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

The notice of Board/Committee Meetings is given well in advance to all the Directors. The agenda and agenda notes are circulated to all the Directors well in advance, usually a week before the Meeting. In case of sensitive agenda matters, where it is not practical to circulate the relevant information as part of the agenda papers, the same is tabled at the meeting. In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. To discuss significant and important matters, meetings are also convened at a short notice with the consent of all Directors. The members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman. The senior management personnel are invited to the Board/Committee Meetings to apprise and update the members on the items being discussed at the meeting. All the relevant information as enumerated in Part A of Schedule II of the Listing Regulations is placed before the Board and the Board in particular reviews and approves corporate strategies, business plan, annual budget, capital expenditure etc. The

Board periodically reviews the compliance status of all the applicable laws and is regularly updated on various legal and regulatory developments involving the Company. The Board Agenda includes an Action Taken Report comprising of actions emanating from the Board Meetings and status updates thereof. The Members of the Board have complete freedom to express their opinion and have unfettered and complete access to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at the meetings.

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

During the Financial Year 2022-23, the Board met eleven times i.e. on May 10, 2022, June 22, 2022, July 22, 2022, August 3, 2022, October 21, 2022, November 3, 2022, January 10, 2023, January 31, 2023, February 7, 2023, February 14, 2023 and March 25, 2023. 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 2021-22 was held on August 29, 2022) are as under:

Name of Director	No. of Board Meetings held during the tenure		Attended Last AGM (Yes/No)
	Held	Attended	
Mr. Ravinder Takkar	11	11	Yes
Mr. Arun Thiagarajan <sup>1</sup>	4	4	No
Mr. Arun Adhikari	11	11	Yes
Mr. Himanshu Kapania	11	11	Yes
Ms. Neena Gupta	11	9	No
Mr. Krishnan Ramachandran	11	9	Yes
Mr. Suresh Vaswani	11	11	Yes
Mr. Ashwani Windlass	11	11	Yes
Mr. Sunil Sood	11	10	Yes
Mr. Diego Massidda	11	8	Yes
Mr. Sushil Agarwal	11	9	Yes
Mr. Krishna Kishore Maheshwari	11	8	Yes
Mr. Anjani Kumar Agrawal <sup>2</sup>	7	7	Yes

<sup>1</sup> Retired from the Board of the Company w.e.f. August 26, 2022

<sup>2</sup> Appointed on the Board of the Company w.e.f. August 27, 2022

## 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 <https://www.myvi.in/investors/corporate-governance>.

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. <https://www.myvi.in/investors/corporate-governance>.

## Meeting of Independent Directors

The Independent Directors conducted one meeting on March 29, 2023 without the presence of Non-Independent Directors and the management. 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 Independent 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 judgement 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 <https://www.myvi.in/investors/corporate-governance>. 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, 2023 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, 2023, the Board has the following Committee(s) constituted for better and focused attention on various affairs of the Company:

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

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

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

### A. Audit Committee

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

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

### Terms of reference

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by statutory auditors.



4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Reviewing the utilization of loans and/or advances from/investment by the Holding Company in the subsidiary exceeding ₹ 1,000 Mn 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, 2023, the Audit Committee comprises of six members, of which four members, including the Chairman, are Independent Directors and two members are Non-Executive Directors. All the members of the Audit Committee possess requisite accounting and financial management expertise. The Company Secretary acts as the Secretary to the Committee.

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

During the Financial Year 2022-23, five meetings of the Audit Committee were held on May 9, 2022, August 3, 2022,

November 3, 2022, February 14, 2023 and March 17, 2023. The intervening gap between two Meetings did not exceed 120 days.

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Ashwani Windlass (Chairman)	Independent	5	5
Mr. Arun Thiagarajan <sup>1</sup>	Independent	2	2
Mr. Krishna Kishore Maheshwari	Non-Executive	5	4
Mr. Krishnan Ramachandran	Independent	5	5
Mr. Suresh Vaswani	Independent	5	5
Mr. Sunil Sood	Non-Executive	5	5
Mr. Anjani Kumar Agrawal <sup>2</sup>	Independent	3	2

<sup>1</sup> Retired w.e.f. August 26, 2022

<sup>2</sup> Appointed w.e.f. August 27, 2022

All the recommendations made by the Audit Committee were accepted by the Board. During the year under review, the composition of the Committee was changed once. Pursuant to retirement of Mr. Arun Thiagarajan from the Board of the Company on August 26, 2022, Mr. Anjani Kumar Agrawal was appointed in his place as a Member with effect from August 27, 2022.

### B. Nomination and Remuneration Committee

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

#### Terms of reference

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

- set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate

Directors and senior management of the quality required to run your Company successfully;

- set the relationship of remuneration to performance;
- check whether the remuneration provided to Directors and senior management includes a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of your Company and its goals;
- formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior management and recommend the same to the Board;
- review and implement succession and development plans for Managing Director, Executive Directors and senior management;
- devise a policy on Board diversity;
- formulate the criteria for determining qualifications, positive attributes and independence of Directors; and
- to supervise and monitor the process of issuance/grant/vesting/cancellation of ESOPs and such other instruments as may be decided to be granted to the employees of the Company/Subsidiary Company, from time to time, as per the provisions of the applicable laws, more particularly in terms of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

### 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, 2023, Committee comprises of four Independent Directors including the Chairman and two of them are Non-Executive Directors. The Company Secretary acts as a Secretary to the Committee.

During the Financial Year 2022-23, seven meetings of the Nomination and Remuneration Committee were held on May 9, 2022, June 22, 2022, July 22, 2022, August 2, 2022, November 3, 2022, January 6, 2023 and February 14, 2023.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the

meetings held during the Financial Year 2022-23 are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Arun Adhikari (Chairman)	Independent	7	7
Mr. Himanshu Kapania	Non-Executive	7	7
Mr. Sunil Sood	Non-Executive	7	7
Mr. Suresh Vaswani	Independent	7	7
Ms. Neena Gupta	Independent	7	5
Mr. Arun Thiagarajan <sup>1</sup>	Independent	4	4
Mr. Anjani Kumar Agrawal <sup>2</sup>	Independent	3	3

<sup>1</sup> Retired w.e.f. August 26, 2022

<sup>2</sup> Appointed w.e.f. August 27, 2022

All the recommendations made by the Committee were accepted by the Board. The composition of the Committee was changed once. Pursuant to retirement of Mr. Arun Thiagarajan from the Board of the Company on August 26, 2022, Mr. Anjani Kumar Agrawal was appointed in his place as a member with effect from August 27, 2022.

### Performance Evaluation Criteria for Independent Directors

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

### Nomination & Remuneration Policy

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

The remuneration policy is available on the website of the Company <https://www.myvi.in/investors/corporate-governance>.

## Remuneration of Directors

### (i) Remuneration to the Executive Directors

The remuneration package of Executive Directors including the Chief Executive Officer and the senior management team is determined by the Nomination & Remuneration Committee, which is in accordance with the remuneration policy of the

Company. A fair portion of the remuneration is linked to the Company's performance, thereby creating a strong alignment of interest with shareholders.

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

### I. Details of the Managerial Remuneration paid to the Executive Directors during Financial Year 2022-23 is as under:

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration during 2022-23			
			All elements of remuneration package i.e. salary, allowances and other benefits etc.	Fixed component & performance linked incentives along with performance criteria	Service Contract, notice period, severance fees	Stock Option details, if any
Mr. Ravinder Takkar	None	Managing Director & Chief Executive Officer	See Note 1 below			See Note 2 below

1. Mr. Ravinder Takkar was 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 and his term as Managing Director & Chief Executive Officer ended on August 18, 2022.
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, 2023, no Commission has been approved by the Board for Financial Year 2022-23.

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, 2023 are as follows:

Name of Independent Director	Sitting Fees paid for FY 2022-23 (in ₹)
Mr. Arun Thiagarajan <sup>1</sup>	7,50,000
Mr. Arun Adhikari	16,00,000
Mr. Ashwani Windlass	15,00,000
Mr. Krishnan Ramachandran	12,00,000
Ms. Neena Gupta	11,50,000
Mr. Suresh Vaswani	17,00,000
Mr. Anjani Kumar Agrawal <sup>2</sup>	11,00,000

<sup>1</sup> Retired w.e.f. August 26, 2022

<sup>2</sup> Appointed w.e.f. August 27, 2022

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, 2023 are as under:

Name of Director	No. of Equity Shares <sup>#</sup>
Mr. Arun Thiagarajan <sup>1</sup>	28,542
Mr. Himanshu Kapania	27,06,276
Mr. Sunil Sood	10,717
Mr. Sushil Agarwal	1,48,044
Mr. Krishna Kishore Maheshwari	51,000

<sup>#</sup> Shares held singly or as a first shareholder are only considered.

<sup>1</sup> Retired w.e.f. August 26, 2022

### 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, 2023, the Committee comprises of four members namely, Mr. Krishna Kishore Maheshwari (Non-Executive) as Chairman, Ms. Neena Gupta (Independent), Mr. Ravinder Takkar (Non-Executive) and Mr. Himanshu Kapania (Non-Executive) as the members. The Company Secretary acts as a Secretary to the Committee. During the Financial Year 2022-23, the Stakeholders' Relationship Committee met once on March 29, 2023, which was attended by two members.

### 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, 10<sup>th</sup> Floor,  
Century Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400 030  
Tel: +91-9594003434  
Fax: +91-22-26527080  
Email: [shs@vodafoneidea.com](mailto:shs@vodafoneidea.com)

### Investor Grievances Redressal Status

During the Financial Year 2022-23, the complaints and queries received by the Company were general in nature, which included issues relating to non-receipt of Annual Report, claims for unclaimed dividend / shares which were transferred to IEPF and others, which were resolved to the satisfaction of the shareholders. There was one complaint pending as on April 1, 2022 and Nil complaints were pending as on March 31, 2023.

The status of Investors' Complaints as on March 31, 2023, is as follows:

No. of complaints as on April 1, 2022	1
No. of complaints received during the Financial Year 2022-23	94
No. of complaints resolved upto March 31, 2023	95
No. of complaints pending as on March 31, 2023	0

To redress investor grievances, the Company has a dedicated email ID [shs@vodafoneidea.com](mailto: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, 2023, 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 Director), Mr. Krishnan Ramachandran (Independent Director) and

Mr. Ravinder Takkar (Non-Executive Director) 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 2022-23, the Committee met only once on May 9, 2022, which was attended by three members, other than Ms. Neena Gupta, who could not attend the same.

In view of the losses incurred by the Company during the last three financial years, the Company has no obligation for CSR spend during the Financial Year 2022-23.

The details of CSR activities undertaken in Financial Year 2022-23 are provided in the Board's 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, 2023 is attached as 'Annexure B' to the Board's Report. The Corporate Social Responsibility Policy of the Company is available on the Company's website <https://www.myvi.in/investors/corporate-governance>

### E. Risk Management Committee

In compliance with the requirements of Regulation 21 of the Listing Regulations, the Board has duly constituted the Risk Management Committee. The Committee's prime responsibility is to frame, implement and monitor the Enterprise Risk Management framework for the Company. The Committee reviews and monitors the risk management plan and ensures its effectiveness. The Committee comprised of four members – two Non-Executive Directors and two Independent Directors. Mr. Himanshu Kapania (Non-Executive) is the Chairman of the Committee and Mr. Sunil Sood (Non-Executive), Mr. Arun Adhikari (Independent) and Mr. Ashwani Windlass (Independent) are other members of the Risk Management Committee. The Chief Executive Officer and the Chief Financial Officer are permanent invitees to the meetings. The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2022-23, the Risk Management Committee met twice on September 23, 2022 and March 17, 2023 and the said meeting(s) were attended by all the members of the Committee.

### F. Capital Raising Committee

Your Board had constituted a Capital Raising Committee to evaluate various modes of equity/debt issuance for raising

further funds by means of Rights Issue/Qualified Institutions Placement /Preferential Issue etc.

The composition of the Capital Raising Committee and the attendance of the members at the meetings held during the Financial Year 2022-23 are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Krishna Kishore Maheshwari	Non-Executive	5	5
Mr. Ravinder Takkar	Non-Executive	5	5
Mr. Ashwani Windlass	Independent	5	1
Mr. Arun Thiagarajan <sup>1</sup>	Independent	1	1
Mr. Anjani Kumar Agrawal <sup>2</sup>	Independent	4	3

<sup>1</sup> Retired w.e.f. August 26, 2022

<sup>2</sup> Appointed w.e.f. August 27, 2022

During the Financial Year 2022-23, five meetings of the Capital Raising Committee were held on July 25, 2022, February 27, 2023 (three meeting at different times during the day) and on February 28, 2023.

### G. Finance Committee

The Company had a Finance Committee to approve matters relating to availing of financial / banking facilities and other treasury and banking related matters. Finance Committee looks into matters pertaining to fund and non-fund based borrowings, investments, working capital management besides other powers granted to it by the Board.

The composition of the Finance Committee and the attendance of the members at the meetings held during the Financial Year 2022-23 are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Krishna Kishore Maheshwari	Non-Executive	2	0
Mr. Ravinder Takkar	Non-Executive	2	2
Mr. Himanshu Kapania	Non-Executive	2	2
Mr. Diego Massidda	Non-Executive	2	1
Mr. Akshaya Moondra	Chief Executive Officer	2	2

During the Financial Year 2022-23, the Committee met twice on July 6, 2022 and August 10, 2022.



### 3. SUBSIDIARY COMPANIES

The subsidiary companies are managed by their individual Board of Directors. The policy for determining material subsidiary is available on the Company's website <https://www.myvi.in/investors/corporate-governance>. Due to networth of the Company being negative, Vodafone Idea Communication Systems Limited, Vodafone Idea Shared Services Limited and Vodafone Idea Manpower Services Limited were material subsidiaries of the Company as per Regulation 16(1)(c) of the SEBI Listing Regulations. The disclosure required on material subsidiaries is provided elsewhere in this report.

Further in accordance with Regulation 24(1) of the SEBI Listing Regulations, Mr. Krishnan Ramachandran, Independent Director of the Company serves as a Directors on the Board of the aforesaid material subsidiary companies. Your Company and its material unlisted subsidiaries undertake Secretarial Audit and the Secretarial Audit Report, form part of this Annual Report.

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies, including loans made by the Company in subsidiaries. The minutes of the subsidiary companies and significant developments of the unlisted subsidiary companies are periodically placed before the Board.

### 4. DISCLOSURES

#### a. Related Party Transactions

All contracts/arrangements/transactions entered by the Company with the related parties during the Financial Year 2022-23 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 the 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 <https://www.myvi.in/investors/corporate-governance>.

#### b. Disclosure of Accounting Treatment

In the preparation of standalone and consolidated financial statements, your Company has followed all the applicable Indian Accounting Standards and the generally accepted accounting principles in India.

#### c. Details of non-compliance with regard to the Capital Markets

There has been no instances of non-compliance by your Company and no penalties or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

#### d. Proceeds from public issues, rights issues, preferential issues etc.

On June 22, 2022, the Company approved the issuance of upto 42,76,56,421 Equity Shares / Warrants on a preferential basis at ₹ 10.20 per Warrant (including a premium of ₹ 0.20 per Warrant), aggregating to approximately ₹ 4,362 Mn on a preferential basis to Euro Pacific Securities Ltd (EPSL), a promoter of the Company. The said preferential issue was approved by the shareholders of the Company in the Extra-ordinary General Meeting (EGM) held on July 15, 2022. EPSL remitted 100% of the warrant issue price upfront and the said Warrants were accordingly allotted on July 25, 2022. The proceeds received from EPSL were utilized for payments due to Indus Towers Limited in compliance with the objects stated in the notice of the

EGM. Subsequently, on February 14, 2023, pursuant to receipt of the conversion notice by the Warrant Holder, the Company allotted 42,76,56,421 equity shares of face value of ₹ 10/- each against the conversion of 42,76,56,421 Warrants pursuant to the applicable provisions of the Companies Act, 2013.

In line with the reforms and support package announced in September 2021, and the conversion option exercised by the Company as provided for therein, Ministry of Communications, Government of India passed an order on February 3, 2023 under section 62(4) of the Companies Act, 2013, directing the Company to convert the Net Present Value of the interest related to deferment of spectrum auction instalments and AGR dues into equity shares to be issued to the Government of India. The total amount to be converted into equity shares was ₹ 161,331.84 Mn and the Board of Directors of the Company has at its meeting held on February 7, 2023, accordingly issued 16,133,184,899 equity shares of face value of ₹ 10/- each at an issue price of ₹ 10/- per equity share to Department of Investment and Public Asset Management, Government of India (on behalf of President of India).

The Board of Directors of the Company at its meeting held on January 31, 2023 has re-approved issuance of upto 16,000 optionally convertible, unsecured, unrated and unlisted Indian Rupee denominated debentures ('OCDs') having a face value of ₹ 1,000,000 each, in one or more tranches, aggregating upto ₹16,000 Mn, each convertible into 100,000 equity shares of face value of ₹ 10/- each at a conversion price of ₹ 10/- to ATC Telecom Infrastructure Private Limited ('ATC'), a non-promoter of the Company, on a preferential basis in accordance with Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The said issuance was approved by the Shareholders at the Extra-ordinary General Meeting (EGM) of the Company on February 25, 2023. The Capital Raising Committee has at its meeting held on February 27, 2023 and February 28, 2023, allotted a total of 16,000 number of OCDs to ATC. The proceeds raised were utilized towards the objects stated in the notice of the EGM.

The uses/ application of proceeds/funds raised have been disclosed to the Audit Committee and necessary certifications and disclosures are made in this regard to the Stock exchanges.

#### **e. Prevention of Insider Trading**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, your Company has adopted a 'Code of Conduct' to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities of the Company ("the Insider Trading Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons (including Directors, Key Managerial Personnel and employees) of your Company are covered under the Insider Trading Code, which provides inter-alia for periodical disclosures and obtaining pre-clearances for trading in the securities of your Company.

The policy and the procedures are periodically revised from time to time and communicated to the Designated Persons. Trading window closure is intimated to all employees and to the Stock Exchange in advance, whenever required.

The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

#### **f. Whistle Blower Policy/ Vigil Mechanism**

Your Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees pursuant to which a Committee has been constituted for addressing complaints received from Directors and Employees concerning unethical behavior, actual or suspected fraud and violation of Code of Conduct or Ethics Policy of your Company. The Policy provides adequate safeguards against victimization of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Your Company hereby affirms that no Director/Employee has been denied access to the Chairman of the Audit Committee.

#### **g. Consolidated fees paid to Statutory Auditors**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity for Financial Year 2022-23 of which the Statutory

Auditors are a part is as under:

Audit Fees	₹ 81 Mn
Certification and other services	₹ 17 Mn
Reimbursement of out-of-pocket expenses	₹ 4 Mn
<b>Total</b>	<b>₹ 102 Mn</b>

#### h. Disclosure on loans or advances

There have been no loans or advances extended by the Company or its subsidiaries, which bear resemblance to loans, to any firms or companies where the Directors of the Company hold an interest.

#### i. Disclosure on Material Subsidiaries

The details of Material Subsidiaries in terms of Listing Regulations are provided hereunder:

Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of the Statutory Auditor	Date of Appointment / Reappointment of Statutory Auditor
Vodafone Idea Shared Services Limited	October 29, 2016	Mumbai	S.R. Batliboi & Associates LLP	August 20, 2019
Vodafone Idea Communications Systems Limited	June 12, 2008	Mumbai	S.R. Batliboi & Associates LLP	August 21, 2019
Vodafone Idea Manpower Services Limited	October 3, 2007	Ahmedabad	S.R. Batliboi & Associates LLP	August 25, 2022

#### j. Compliance with the Mandatory Corporate Governance Requirements as prescribed under the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 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.

- 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 <https://www.myvi.in/investors/results>. 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.

#### k. 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.

#### l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- Number of Complaints filed during the Financial Year - 8
- Number of Complaints disposed of during the Financial Year - 6
- Number of Complaints pending as on end of the Financial Year - 2

### 5. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management Discussion and Analysis forms part of the Annual Report.

## 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) and (t) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

## 8. COMPLIANCES

(a) A certificate from the Company's Statutory Auditors M/s S.R. Batliboi & Associates LLP,

Chartered Accountants, affirming compliance with the conditions of the Corporate Governance as stipulated under Regulation 34 read with Schedule V (E) of the Listing Regulations is appended as an Annexure to this report.

(b) A certificate from M/s Umesh Ved & Associates, Practicing Company Secretaries, as required under the Listing Regulations confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority is appended as Annexure to this report.

(c) During the year under review, the Board has accepted the recommendations made by the various Board Committees constituted.

## 9. GENERAL BODY MEETINGS

The details pertaining to last three Annual General Meetings of the Company are provided:

Financial Year	Date	Time	Venue	Particulars of Special Resolution(s)
2021-22	August 29, 2022	3:00 p.m.	By Video Conferencing and Other Audio Visual Means	1. Appointment of Mr. Anjani Kumar Agrawal as an Independent Director of the Company for a term of three years. 2. Appointment of Mr. Akshaya Moondra as the Chief Executive Officer of the Company.
2020-21	September 29, 2021	3:00 p.m.	By Video Conferencing and Other Audio Visual Means	1. Re-appointment of Mr. Arun Adhikari as an Independent Director of the Company for a second term of three years. 2. Re-appointment of Mr. Ashwani Windlass as an Independent Director of the Company for a second term of three years. 3. Re-appointment of Ms. Neena Gupta as an Independent Director of the Company for a second term of three years.
2019-20	September 30, 2020	2:30 p.m.	By Video Conferencing and Other Audio Visual Means	1. Borrowing powers to not exceed ₹ 1,00,000 crores or the aggregate of the paid-up capital, free reserves and securities premium account of the Company, whichever is higher. 2. Creation of security on property. 3. Alteration of Articles of Association. 4. Issuance of securities for amount not exceeding ₹ 15,000 crores.

### Extra-ordinary General Meeting

The details of Extra-ordinary General Meeting held during the Financial Year 2022-23.

Financial Year	Date	Time	Venue	Particulars of Special Resolution(s)
2022-23	July 15, 2022	12:30 p.m.	By Video Conferencing and Other Audio Visual Means	Issue of Securities on a Preferential Basis to a Promoter.
	November 21, 2022	5:00 p.m.	By Video Conferencing and Other Audio Visual Means	Issue of Securities on a Preferential Basis.
	February 25, 2023	4:00 p.m.	By Video Conferencing and Other Audio Visual Means	Issue of Securities on a Preferential Basis.

### Tribunal Convened Meetings

There was no Tribunal convened Meeting held during the Financial Year 2022-23.

### Postal Ballot

There was no Special Resolution passed through Postal Ballot during the Financial Year 2022-23. 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 <https://www.myvi.in/investors/results>.

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 2022-23, were published in Business Standard (all editions) and Western Times (a regional daily published in Ahmedabad, Gujarat).

At the end of each quarter, the Company organizes earnings call with the analysts and investors and the transcripts of the same are thereafter uploaded on the website of the Company.

### Website

The Company's website [www.myvi.in](http://www.myvi.in) 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	: Monday, July 17, 2023
Time	: 3:00 p.m. IST
Venue	: The Company is conducting meeting through Video Conferencing and Other Audio Visual Means pursuant to the MCA Circulars and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM to be held over Video Conferencing.

### 2. Financial Calendar for 2023-24 (Tentative)

Financial reporting for the quarter ending June 30, 2023	: By July 31, 2023
Financial reporting for the quarter ending September 30, 2023	: By November 14, 2023
Financial reporting for the quarter ending December 31, 2023	: By February 14, 2024
Financial reporting for the year ending March 31, 2024	: By May 30, 2024
Annual General Meeting for the Financial Year 2023-24	: By August 31, 2024

**3. Book Closure Date** : July 10, 2023 – July 17, 2023 (both days inclusive)

**4. Dividend** : Nil

**5. Dividend Payment Date** : Not Applicable (Since no Dividend is recommended for Financial Year 2022-23)

**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 2022-23 has been paid to the above Stock Exchanges.*

## 8. Stock Codes

	Stock Code	Reuters	Bloomberg
BSE Limited	532822	VIL.BO	VIL IN
National Stock Exchange of India Limited	IDEA	VIL.NS	NVIL IN
ISIN No. of Equity Shares	INE669E01016		
CIN	L32100GJ1996PLC030976		

## 9. Debt Securities

The Non-Convertible Debentures issued by the Company are listed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited.

## 10. Stock Price Data

The monthly high and low prices and volume of shares of the Company at the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the Financial Year 2022-23 are as under:

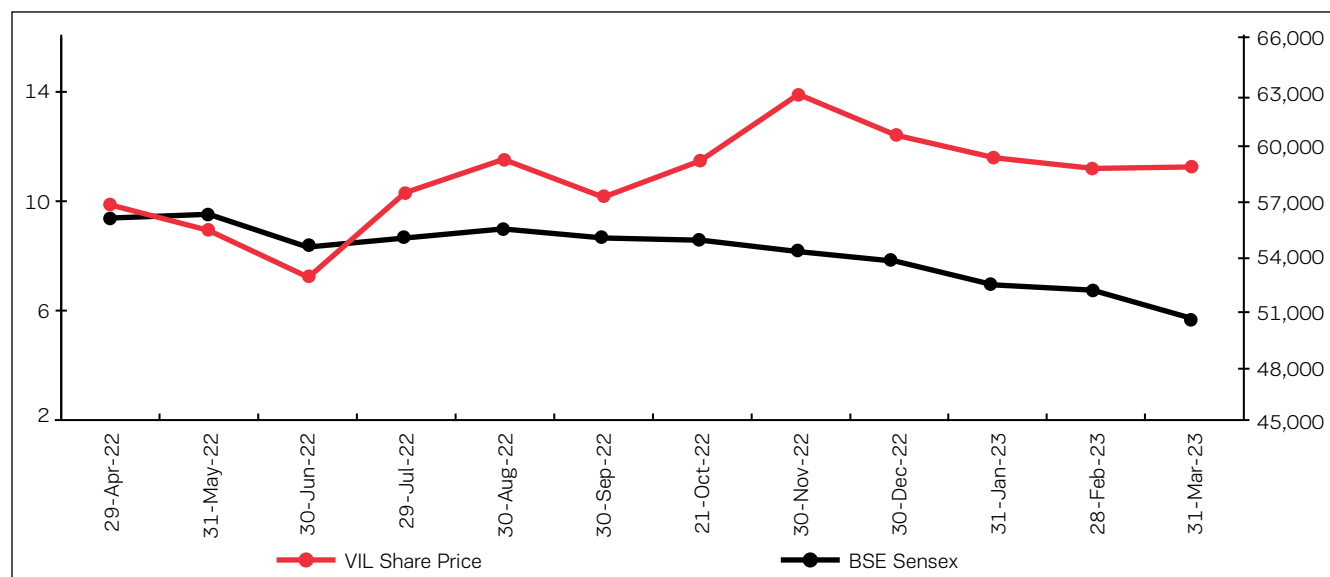
Month	BSE Limited				National Stock Exchange of India Limited			
	High (in ₹)	Low (in ₹)	Close (in ₹)	Volume (in Nos.)	High (in ₹)	Low (in ₹)	Close (in ₹)	Volume (in Nos.)
April, 2022	11.55	9.45	9.51	1,029,880,344	11.55	9.45	9.50	3,392,921,802
May, 2022	10.23	8.15	9.62	857,877,521	10.20	8.15	9.60	3,087,072,737
June, 2022	9.65	7.75	8.43	711,613,423	9.65	7.75	8.40	2,138,855,146
July, 2022	9.14	8.21	8.77	543,080,882	9.15	8.20	8.75	1,419,847,113
August, 2022	9.54	8.53	9.07	712,101,504	9.55	8.50	9.05	2,182,079,290
September, 2022	10.08	8.40	8.79	1,064,997,363	10.10	8.40	8.80	3,142,205,973
October, 2022	9.18	8.35	8.58	623,538,930	9.20	8.35	8.55	1,411,522,733
November, 2022	8.75	7.97	8.25	668,732,028	8.75	7.95	8.25	1,472,610,832
December, 2022	8.96	7.61	7.90	1,414,351,520	8.95	7.60	7.90	2,324,938,718
January, 2023	8.15	6.33	7.07	3,674,262,785	8.15	6.30	7.05	2,211,331,980
February, 2023	8.57	6.46	6.83	758,681,056	8.60	6.45	6.80	2,696,553,190
March, 2023	7.05	5.70	5.82	609,013,411	7.05	5.70	5.80	1,539,027,283

Source: BSE and NSE Website

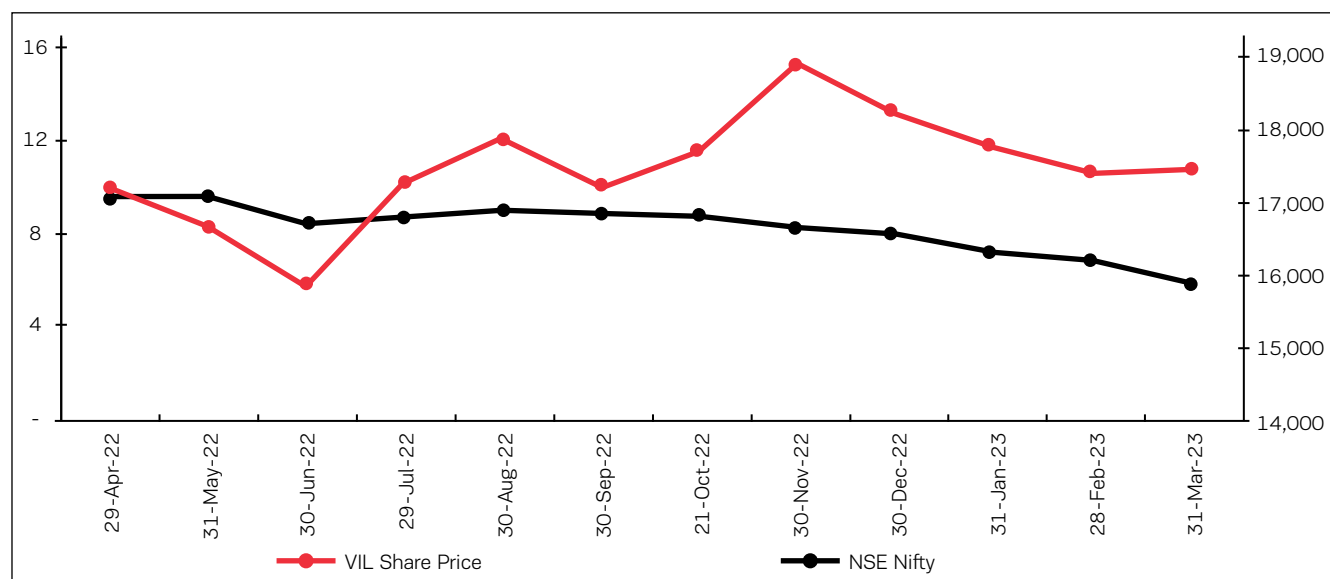
## 11. Stock Performance

The performance of the Company's share price vis-à-vis the broad based BSE and NSE indices during the Financial Year 2022-23 is as under:

### (a) Comparison of the Company's Share Price with BSE Sensex



### (b) Comparison of the Company's share price with NSE Nifty



## 12. Registrar and Share Transfer Agents

M/s. Bigshare Services Private Limited  
Office No. S6-2, 6<sup>th</sup> Floor,  
Pinnacle Business Park, Next to Ahura Centre,  
Mahakali Caves Road, Andheri (East),  
Mumbai - 400 093

## 13. Debenture Trustees

M/s IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R. Kamani Building,  
Ballard Estate,  
Mumbai - 400 001

## 14. Share Transfer System

More than 99.99% of the equity share capital of the Company is held in Demat form. Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company. In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, w.e.f. April 1, 2019, the Company has stopped effecting transfer of securities in physical form unless the securities are held in dematerialised form with the depository, i.e. National Securities Depository Limited and Central Depository Services (India) Limited. In view of the above and the inherent benefits of holding securities in electronic form, shareholders holding shares in physical form are requested to opt for dematerialisation. Company also obtains 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, 2023 is as follows:

Number of Equity Shares held	Number of Share-holders	% to total Share-holders	No. of Shares held	% to total Share-holding
Upto 5000	2,551,097	77.01	197,895,185	0.41
5001 – 10000	262,382	7.92	221,325,532	0.45
10001– 20000	183,636	5.54	285,788,726	0.59
20001 – 30000	79,504	2.40	205,948,341	0.42
30001 – 40000	41,724	1.26	151,021,623	0.31
40001 – 50000	41,583	1.26	198,375,833	0.41
50001 – 100000	72,923	2.20	556,693,430	1.14
100001 & above	79,961	2.41	46,862,640,535	96.27
<b>Total</b>	<b>3,312,810</b>	<b>100.00</b>	<b>48,679,689,205</b>	<b>100.00</b>

## 16. Shareholding Pattern

The shareholding pattern of the Company as on March 31, 2023 is as follows:

Sr. No.	Category	No. of Shares	% Shareholding
I	<b>Promoter and Promoter Group</b>	24,515,033,148	50.36
II	<b>Government of India</b>	16,133,184,899	33.14

Sr. No.	Category	No. of Shares	% Shareholding
III	<b>Public Shareholding</b>		
	<b>(a) Institutional Investors</b>		
	Foreign Portfolio Investors	1,111,608,172	2.28
	Mutual Fund / Venture Funds	216,305,421	0.45
	Financial Institutions / Banks	2,851,556	0.01
	Insurance Companies	59,579,092	0.12
	<b>(b) Others</b>		
	Bodies Corporate (Indian)	508,385,219	1.04
	Non-Resident Indians	185,644,474	0.38
	Others	49,542,769	0.10
	Individuals / HUF	5,897,554,455	12.12
	<b>Total</b>	<b>48,679,689,205</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 48,679,679,582 Equity Shares of the Company constituting over 99.99% of the issued, subscribed and paid-up share capital were held in dematerialized form as on March 31, 2023.

## 18. Outstanding GDRs/ADRs etc.

During the year, the Company had issued Warrants convertible into Equity Shares to a Promoter entity, which were converted into equity shares and accordingly, there are no outstanding warrants as at the end of the year.

Further, during the year, the Company issued 16,000 Optionally Convertible Debentures ('**OCDs**') having a face value of ₹ 1,000,000 each, aggregating to ₹ 16,000 Mn. Each OCD is convertible into 1,00,000 Equity Shares of face value of ₹ 10/- each at a conversion price of ₹ 10/- each. All these OCDs issued are outstanding as at the end of the year.

Save and except the above, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2023.

## 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, 10<sup>th</sup> 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, 2023 are as under:

Rating Agency	Instrument As on March 31, 2023	Rating
Care Ratings	Bank Facilities (Long Term)	CARE B+ (Stable)
	Non-Convertible Debentures	CARE B+ (Stable)
	Short Term Bank Facilities	CARE A4

## 23. Other Useful Information

### (a) Unpaid / Unclaimed Dividend

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the dividend which remains unclaimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <https://www.myvi.in/investors/investors-support>.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven consecutive years. Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of Unclaimed Dividend and shares transferred during the Financial Year 2022-23 is as follows:

Financial Year	Amount of Unclaimed Dividend Transferred	Number of Shares Transferred
2014-15	₹ 9,31,147	1,72,538

The Members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a copy of the same, duly signed to the Company at [iepf@vodafoneidea.com](mailto:iepf@vodafoneidea.com) along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

Pursuant to Section 124(5) of the Companies Act, 2013, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Financial Year	Date of Declaration of Dividend	Dividend Declared per share (in ₹)	Due for transfer to IEPF
2015-2016	29/09/2016	0.60	03/11/2023

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company or its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

Pursuant to the provisions of IEPF Rules, the Company has uploaded the details of un-paid and un-claimed amounts lying with the Company as on August 29, 2022 (date of last Annual General Meeting) on the Company's website at <https://www.myvi.in/investors/investors-support> and on the website of the Investor Education and Protection Fund Authority at [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 28<sup>th</sup> 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, 2022	23	1,37,018
<b>TOTAL</b>	<b>23</b>	<b>1,37,018</b>
<b>(Less)</b> Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2022-23	NIL	NIL
<b>(Add)</b> Shares recovered from shareholder during the Financial Year 2022-23	NIL	NIL
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, 2023	23	1,37,018

The voting rights on the shares in the suspense account as on March 31, 2023 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, Akshaya Moondra, Chief Executive Officer and Murthy GVAS, 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, 2023 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, 2023, 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.

Place: Mumbai  
Date : May 25, 2023

**Akshaya Moondra**  
Chief Executive Officer

**Murthy GVAS**  
Chief Financial Officer

## DECLARATION

As provided under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel of Vodafone Idea Limited have confirmed compliance with the Code of Conduct for the year ended March 31, 2023.

Place: Mumbai  
Date : May 25, 2023

**Akshaya Moondra**  
Chief Executive Officer

## 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 31st March, 2023 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. Himanshu Kapania	03387441	1 April 2011
2.	Mr. Ravinder Takkar	01719511	31 August 2018
3.	Mr. Arun Kumar Adhikari	00591057	31 August 2018
4.	Mr. Krishna Kishore Maheshwari	00017572	03 August 2022
5.	Mr. Ashwani Windlass	00042686	31 August 2018
6.	Mr. Krishnan Ramachandran	00193357	27 December 2018
7.	Ms. Neena Gupta	02530640	17 September 2018
8.	Mr. Suresh Choithram Vaswani	02176528	8 February 2019
9.	Mr. Sunil Sood	03132202	24 February 2021
10.	Mr. Diego Massidda	09067108	24 February 2021
11.	Mr. Sushil Agarwal	00060017	4 August 2021
12.	Mr. Anjani Agrawal	08579812	27 August 2022

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

FCS No. : 4411

C.P. No. : 2924

Peer Review No.766/2020

UDIN: F004411E000378994

Place : Ahmedabad  
Date : May 25, 2023

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### The Members of

### Vodafone Idea Limited

1. The Corporate Governance Report prepared by Vodafone Idea Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.
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:

### 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.
- i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
- iii. Obtained and read the Register of Directors as on March 31, 2023 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
- iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2022 to March 31, 2023:

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
- (a) Board of Directors;
- (b) Audit Committee;
- (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
- (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 declarations from the directors of the Company.

- vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved 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, 2023, referred to in paragraph 4 above.

### Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Nilangshu Katriar**

Partner

Membership Number: 58814

UDIN: 23058814BGYZOR4076

Place : Mumbai

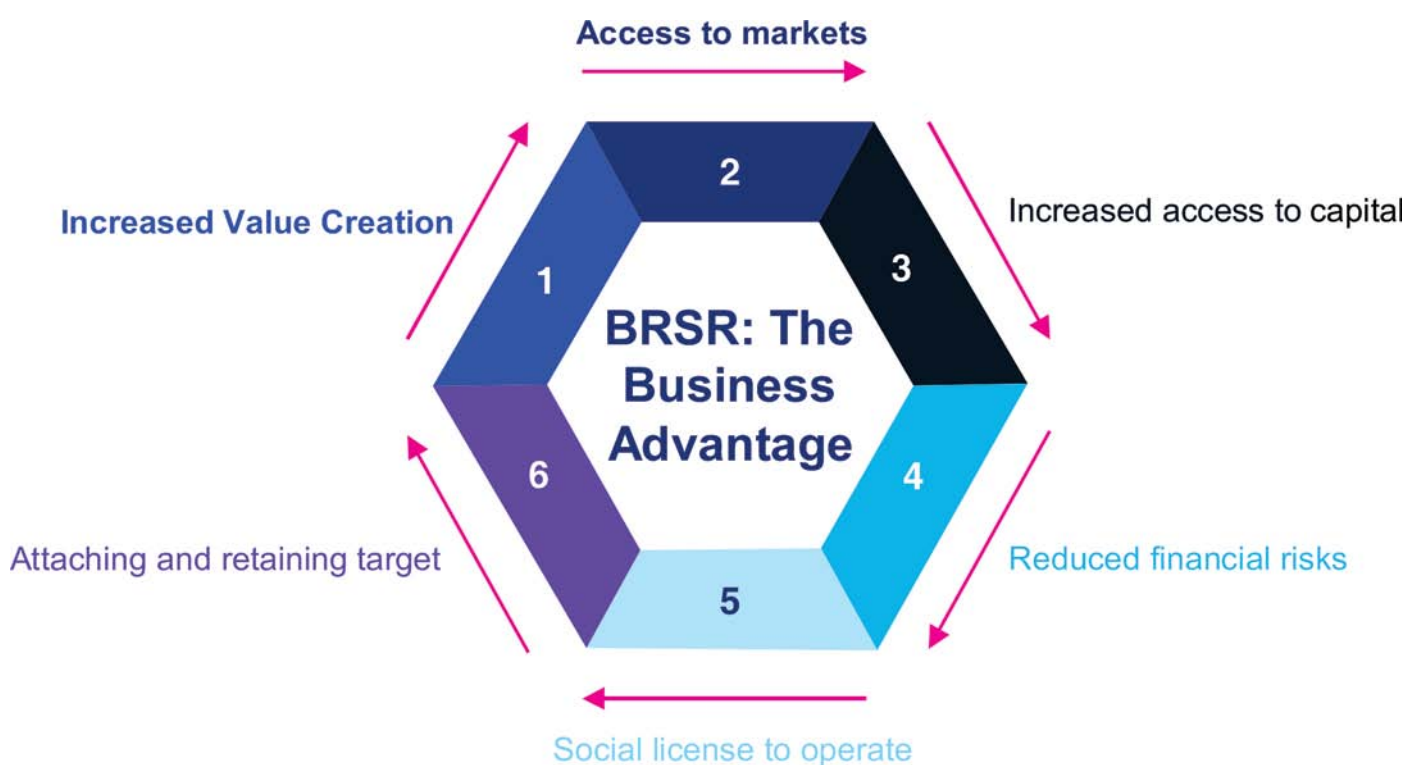
Date : May 25, 2023

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## Introduction to Business Responsibility and Sustainability Report (BRSR)

Disclosure requirements have leapfrogged globally in the last decade, holding companies accountable for their identification of Environment, Social and Governance (ESG) responsibilities and their transparent incorporation in annual disclosures.

In line with these global developments, the Securities and Exchange Board of India (SEBI), in its continued efforts to enhance disclosures on ESG standards, introduced new requirements for sustainability reporting by listed companies. The new reporting format named, Business Responsibility and Sustainability Report (BRSR), aims to establish links between the financial results of a business with its ESG performance.



**SEBI has mandated that the BRSR will be applicable to the top 1,000 listed entities (by market capitalization) for reporting on a voluntary basis for Financial Year 2021-22 and on a mandatory basis from Financial Year 2022-23.**



**Section A: General Disclosures****I. Details of the Listed Entity**

1. Corporate Identity Number (CIN) of the Company	L32100GJ1996PLC030976
2. Name of the Listed Entity	Vodafone Idea Limited
3. Year of Incorporation	1995
4. Registered Office Address	Suman Tower, Plot No. 18, Sector 11, Gandhinagar - 382011, (Gujarat)
5. Corporate Address	Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400030 (Maharashtra)
6. E-mail	<a href="mailto:shs@vodafoneidea.com">shs@vodafoneidea.com</a>
7. Telephone	079-66714000
8. Website	<a href="http://www.myvi.in">www.myvi.in</a>
9. Financial Year for which reporting is being done	2022-23
10. Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India Limited 2. BSE Limited
11. Paid-up Capital	₹ 486,796,892,050/-
12. Name and Contact Details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. P. Balaji Chief Regulatory & Corporate Affairs Officer Tel : 9594004000 <a href="mailto:p.balaji@vodafoneidea.com">p.balaji@vodafoneidea.com</a>
13. Reporting Boundary	Report is done on a standalone basis

**II. Products/ Services****14. Details of business activities:** *(accounting for 90% of the turnover)*

Sr. no.	Description of the main activity	Description of business activity	% of turnover of the entity
1.	Information and Communication	Wired, wireless or satellite telecommunication activities	100%

**15. Products/ Services sold by the entity:** *(accounting for 90% of the entity's Turnover)*

Sr. no.	Product/Service	NIC Code	% of total turnover contributed
1.	<b>Wireless Telecommunication Activities</b>		
	• Activities of Internet access by the operator of the wireless infrastructure	612	99%
	• Activities of maintaining and operating cellular and other telecommunication networks		
2.	<b>Wired Telecommunication Activities</b>		
	• Activities of basic telecom services: telephone, telex and telegraph	611	1%
	• Activities of providing internet access by the operator of the wired infrastructure		

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	19	19
International	0	0	0

#### 17. Markets served by the entity

##### a. Number of locations:

Locations	Number
National (No. of States)	28 States + 8 Union Territories
International (No. of Countries)	Not Applicable

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

8.05 %

##### c. A brief on types of customers

Vodafone Idea Limited (VIL) serves all sections of consumers ranging from New Consumer Classification System (NCCS), Urban Metro Dwellers to NCCS and Rural consumers, across the length and breadth of the country.

### IV. Employees:

#### 18. Details as at March 31, 2023:

##### a. Employees and Workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male No. (B) % (B/A)	Female No. (C) % (C/A)
<b>Employee</b>				
1	Permanent (D)	9,370	7,706	82%
2	Other than Permanent (E)	6,234	4,415	71%
3	Total Employees (D + E)	15,604	12,121	78%
<b>Workers</b>				
4	Permanent (F)			
5	Other than Permanent (G)			
6	Total Workers (F + G)			

VIL does not have any workers.

##### b. Differently abled Employees and Workers:

Sr. No.	Particulars	Total (A)	Male No. (B) % (B/A)	Female No. (C) % (C/A)
<b>Differently Abled Employees</b>				
1	Permanent (D)	3	3	100%
2	Other than Permanent (E)	-	-	-
3	Total Employees (D + E)	3	3	100%
<b>Differently Abled Workers</b>				
4	Permanent (F)			
5	Other than Permanent (G)			
6	Total Workers (F + G)			

**19. Participation/Inclusion/Representation of women:**

	<b>Total</b>	<b>No. and Percentage of Females</b>	
	<b>(A)</b>	<b>No. (B)</b>	<b>% (B / A)</b>
Board of Directors	12	1	8.33%
Key Management Personnel (KMP)	3	0	0%

**20. Turnover rate for Permanent Employees and Workers** *(Disclose trends for the past 3 years)*

	<b>Financial Year 2022-23</b>			<b>Financial Year 2021-22</b>			<b>Financial Year 2020-21</b>		
	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Permanent Employees	23.8%	24.2%	23.9%	26.0%	26.7%	26.1%	28.9%	34.8%	29.7%
Permanent Workers	Not Applicable								

**V. Holding, Subsidiary and Associate Companies (including Joint Ventures) -****21. Names of Holding/Subsidiary/Associate Companies/Joint Ventures**

<b>S. No.</b>	<b>Name of the Holding/Subsidiary/Associate Companies/Joint Ventures (A)</b>	<b>Indicate whether Holding/Subsidiary/Associate/Joint Venture</b>	<b>% of shares held by Listed Entity</b>	<b>Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the Listed Entity? (Yes/No)</b>
---------------	------------------------------------------------------------------------------	--------------------------------------------------------------------	------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------

Refer to the section "Salient features of the Financial Statement of Subsidiaries, Associates and Joint Ventures for the year ended March 31, 2023, pursuant to Section 129 (3) of the Companies Act, 2013" forming part of this Annual Report.

**VI. CSR Details:****22 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : No**

(ii) **Turnover (in ₹):** 419,171 Mn

(iii) **Net worth (in ₹):** (738,388) Mn

## VII. Transparency and Disclosures Compliances -

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	Financial Year (2022-23)			Financial Year (2021-22)		
	(If yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Several mechanisms to addressing grievances of communities and beneficiaries have been established across our programs. Using a wide variety of channels, we actively seek feedback, suggestions and complaints and resolve them in pre-defined turnaround time. E.g., in Smart Agri programme, we have dedicated helpline, WhatsApp Group etc. Through these channels, farmers are able to resolved their issues and also get expert guidance on increasing their productivity and farm income. In Connecting for Good programme, beneficiaries can raise their concerns through emails, chat and during regular interactions with our partners. In Scholarship programme, beneficiaries are able to reach out to our multi-lingual support team and can also raise their concerns through Chatbot. Additionally, beneficiaries can raise their concerns using social media channels which are responded to within well-defined timeframe. In Jigyasa programme, our field team comprising of state-level coordinators and school-level mentors resolve grievances of students and teachers by providing them support and training as needed.	0	0	VIL has established several mechanisms for addressing grievance of beneficiaries of various programmes. Using a wide variety of channels, the Foundation actively seeks feedback, suggestions and complaints as well as resolves them in a pre-defined turnaround time	0	0	VIL has established several mechanisms for addressing grievance of beneficiaries of various programmes. Using a wide variety of channels, the Foundation actively seeks feedback, suggestions and complaints as well as resolves them in a pre-defined turnaround time
Shareholders	Yes	94	0	To redress investor grievances, the Company has a dedicated email ID shs@vodafoneidea.com to which investors may send complaints.	111	1	To redress investor grievances, the Company has a dedicated email ID shs@vodafoneidea.com to which investors may send complaints.
Investors (Other than shareholders)	Investors and shareholders have access to Company Secretary through a dedicated email id to report any concerns or grievances	0	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	Financial Year (2022-23)			Financial Year (2021-22)		
	(If yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees & Workers	VIL has a detailed and comprehensive grievance redressal mechanism for employees and workers	7	0	-	10	0	-
Customers	Yes <a href="https://www.trai.gov.in/consumer-info/telecom/grievance-redressal-mechanism">https://www.trai.gov.in/consumer-info/telecom/grievance-redressal-mechanism</a>	15,042,925	7,857	Vi adheres to TRAI Policy of grievance redressal. Customer can register complaints through different modes (CC, Store, App, Website, Email, DoT/TRAI/PG Portal etc.). Customer receives the Service Request Number via SMS along with TAT at the time of complaint registration. Complaint is resolved by the Central Back Office Team as per the pre-defined TAT, and the resolution is communicated via SMS/Call. In case the customers are not satisfied with the resolution, they have the option to appeal within 30 days of the resolution.	21,786,207	17,487	Vi adheres to TRAI Policy of grievance redressal. Customer can register complaints through different modes (CC, Store, App, Website, Email, DoT/TRAI/PG Portal etc.). Customer receives the Service Request Number via SMS along with TAT at the time of complaint registration. Complaint is resolved by the Central Back Office Team as per the pre-defined TAT, and the resolution is communicated via SMS/Call. In case the customers are not satisfied with the resolution, they have the option to appeal within 30 days of the resolution.
Value Chain Partners	VIL has a stringent process to record grievances from value chain partners which include contractors, suppliers, channel partners, vendors, business associates, among other value chain partners <a href="https://vodafoneidea.integritymatters.in">https://vodafoneidea.integritymatters.in</a> (Access code: VODAFONEIDEA)	0	0	-	0	0	-



## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material issue Identified	Indicate Whether Risk or Opportunity	Rationale for identifying Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change	Risk	There is a need to keep a watch on emerging regulations within the telecom sector and globally on climate change (India has taken a Net Zero target by 2070 because of the UNFCCC negotiations in the COP), which focus on clean technologies and renewable energy. Climate change-related extreme weather events can destroy network infrastructure and disrupt supply chains, posing threats to VIL.	<ul style="list-style-type: none"> <li>• Creating a structured governance framework to oversee climate change related issues.</li> <li>• Designating a Sustainability/ ESG committee to overlook all the risks, mitigation measures and contingency plans for, if there is a risk.</li> </ul>	Negative
2.	Customer Privacy	Risk	Instances of usage and selling of consumer data / data privacy breaches are leading to rising privacy concerns. It is important for VIL to communicate transparently about the policies regarding the quantity, kind, and use of consumer data that is provided to third parties	<ul style="list-style-type: none"> <li>• Conducting customer privacy audits regularly</li> <li>• Posting privacy policies on Company's website</li> <li>• Disciplinary action in case of breaches</li> <li>• Creating stringent measures to ensure customer privacy</li> </ul>	Negative
3.	Data Security	Risk	Recent instances of cyberattacks on communications infrastructure serves as a reminder for the need to constantly monitor, review and update network security processes and safeguards. Data security concerns can affect customer acquisition and retention, decrease market share and decrease the demand for VIL services. Data loss can result in the unintentional disclosure of private information, which could result in non-compliance, legal ramifications and damage to our brand's reputation.	<ul style="list-style-type: none"> <li>• Conducting data security audits regularly.</li> <li>• Drafting data security policies</li> <li>• Minimizing data retention</li> <li>• Disciplinary action in cases of data breaches.</li> </ul>	Negative
4.	Quality of Network Infrastructure	Risk	Network infrastructure is vulnerable to technological failure which can be caused by either human mistake or natural disasters, which can affect the quality of VIL's services. Rapid technological advancements in the IT industry makes it necessary for VIL to make technological upgrades that are necessary to satisfy growing client demand for stronger and better network connectivity. Failure to do so could adversely affect VIL's business and market share	<ul style="list-style-type: none"> <li>• Conducting regular quality checks.</li> <li>• Recording the number of complaints in cases of failure.</li> </ul>	Negative

Sr. No.	Material issue Identified	Indicate Whether Risk or Opportunity	Rationale for identifying Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Talent Attraction and Development	Opportunity	An organisation with talented employees presents an opportunity for VIL to promote innovation, improve service delivery and enhance customer satisfaction. As we evolve from a traditional telecom entity to a digital enterprise, our ability to attract and upskill talent will be critical to improve our business performance and increase market share.		Positive
6.	Increasing Activism	Risk	Increased activism and changing perceptions around radiation from 5G roll-out has the potential to disrupt network roll-out plans. A possibility exist where societal pressure could prompt various State Government to put restrictions on creating network infrastructure, thereby increasing costs to service providers.  Social disturbances or geopolitical changes can lead to targeted attacks (physical or cyber) on the telecom network infrastructure (being a critical utility of national importance) thereby adversely impacting customer service and resulting in higher network operating cost for VIL.	<ul style="list-style-type: none"> <li>Engaging through industry body to create awareness amongst public at large</li> </ul>	Negative
7	Competitive Behavior	Opportunity	A healthy competition between different telecom companies results in every company trying to get a technological edge to acquire more market share and a bigger customer base.	<ul style="list-style-type: none"> <li>Creating short-term, mid-term, and long-term response strategies to ensure Company's capability to handle an emergency or a fast-changing situation.</li> <li>Deploying new or updated risk frameworks and guidelines.</li> </ul>	Positive
8	Diversity, Equity and Inclusion	Opportunity	Diversity and Inclusion can help in strengthening the organization's decision making and image in the industry. Companies that are diverse and inclusive are better at responding to challenges, accumulating top talent and meeting the needs of their customers. Other benefits of diversity and inclusion are: <ul style="list-style-type: none"> <li>Improving the quality of decision making.</li> <li>Increasing customer insight and innovation.</li> <li>Driving employee motivation and satisfaction.</li> </ul>		Positive
9	Technological / Network Security Risk	Risk	The National Security directive on Telecommunications – has been put into effect from June 15, 2021. The evaluation process is slow, with some decisions on trusted sources/products communicated by authorities. Exemptions given are for a limited duration with some products/projects put into the evaluation process, which creates uncertainty & prevents long term planning. The concern with regard to Chinese vendors is evident.	VIL is regularly monitoring compliances and changing legislations to ensure compliances.	Negative

## Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

- P1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
- P2 Businesses should provide goods and services in a manner that is sustainable and safe
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains
- P4 Businesses should respect the interests of and be responsive towards all its stakeholders
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect, protect and make efforts to restore the environment
- P7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- P8 Businesses should promote inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="https://www.myvi.in/investors/corporate-governance">https://www.myvi.in/investors/corporate-governance</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	<p>Yes, all the enlisted policies extend to our value chain partners wherever required. The extension to value chain partners across policies is mentioned within each policy drafted and uploaded on our website:</p> <p><a href="https://www.myvi.in/investors/corporate-governance">https://www.myvi.in/investors/corporate-governance</a></p> <p>The policies that VIL has adopted are in conformity with relevant national and international standards, wherever statutorily applicable. The policies are compliant with the NGRBCs issued by the Ministry of Corporate Affairs and are drafted after taking into consideration the best practices adopted across the industry.</p>								
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusted) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	---								

Disclosure	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Vodafone Idea is continuing its sustainability journey with special focus on energy efficiency and emission reduction. This ultimately furthers VIL's commitment to addressing global environmental issues such as climate change and global warming. The emission levels of the Network is being tracked annually as per DoT guidelines. More than 1000 tower co-owned sites are exclusive solar energy solutions.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Currently, VIL does not have specific goals and commitments, however, Company gives importance to ESG aspects across business operations								
Governance, leadership and oversight									
7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements.									
<p>VIL understands the growing impetus of Sustainable Development and is aware of our responsibilities towards the stakeholders. Our business shares passion and common objectives with that of Environment, Social and Governance (ESG) and will continue exploring and implementing the best practices which will work to make a positive impact in the world at large. Our vision is to create world class digital experiences to connect and inspire every Indian to build a better tomorrow. We will achieve this when we serve our customers, build inspired teams, show the highest standards of governance and compliance, and leverage technology and purposeful innovation to catalyze social prosperity.</p> <p>We are strongly committed to environmental leadership and in the last year we have been able to reduce diesel consumption for power generation, which has resulted in carbon footprint reduction across 13,000 sites. We continued to adopt environmentally sustainable practices in our business transactions with the same foundational objectives laid down as part of VIL's Energy and Carbon Management Policy that include considering Energy Performance when operating VIL's infrastructure and encouraging our Infrastructure Provider partners to adopt low carbon operations. Also telecom hardware procurement at VIL comprises of low power consuming telecom hardware.</p> <p>VIL is also committed to continually improve Health, Safety and Well Being (HSW) practices, with the aim of providing and maintaining a safe and healthy work environment for all our stakeholders and employees including contractors, business partners, service providers, visitors and communities in general. We at VIL believe that all injuries and occupational illnesses can be prevented, HSW is business imperative, and no business is worth doing that puts people at risk and consultation &amp; employee involvement is essential to building commitment to HSW.</p> <p>Our strategies and growth plans accounts ESG aspects to make sure that we operate in a responsible environment and create value for our customers and stakeholders. We have already started towards a long-term and revolutionary path of becoming an energy-self-sufficient-nation while benefiting the society and the environment. VIL has complete faith in its targets and roadmaps to grow in a sustainable manner.</p>									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Akshaya Moondra Chief Executive Officer akshaya.moondra@vodafoneidea.com								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	At present VIL has no specific Committee responsible for decision making on sustainability related issues. However, there is a group of SPOCs from different functions who meet on regular basis to discuss about the sustainability related issues.								

## 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action																		Quarterly
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances																		Quarterly
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
No																		

## 12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next Financial Year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**Table 1- Weblinks of the Policies aligned to NGRBC Principles**

P1	<b>Ethics, Transparency and Accountability:</b> Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable	<a href="#">Code of Conduct</a> <a href="#">Speak Up Policy</a>
P2	<b>Product Lifecycle Sustainability:</b> Businesses should provide goods and services in a manner that is sustainable and safe	Energy and Carbon Management Policy
P3	<b>Employee Well-being:</b> Businesses should respect and promote the well-being of all employees, including those in their value chains	<a href="#">Code of Conduct</a> <a href="#">Privacy Policy</a>
P4	<b>Stakeholder Engagement:</b> Businesses should respect the interests of and be responsive to all its stakeholders	-
P5	<b>Promoting Human Rights:</b> Businesses should respect and promote human rights	<a href="#">Code of Conduct</a> <a href="#">Privacy Policy</a> HSW Policy
P6	<b>Protection of Environment:</b> Businesses should respect and make efforts to protect and restore the environment	<a href="#">Code of Conduct</a> Energy and Carbon Management Policy
P7	<b>Responsible Policy Advocacy:</b> Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	<a href="#">Code of Conduct</a>
P8	<b>Support Inclusive Growth:</b> Businesses should promote inclusive growth and equitable development	<a href="#">Code of Conduct</a>
P9	<b>Providing Customer Value:</b> Businesses should engage with and provide value to their consumers in a responsible manner	<a href="#">Code of Conduct</a>



## SECTION C: Principle wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	NA	NA	NA
Key Managerial Personnel	NA	NA	NA
Employees other than BOD and KMPs	Internal ILT / VILT - 191 Gyanodaya programs - 20 GVC Courses & Videos - 16,666	Internal ILT / VILT on people development - 9000 employees covered Gyanodaya - Leadership development programs - 136 employees covered GVC - online courses and videos - 8,57,249 completions	Overall - 99 % coverage
Workers	Not applicable as VIL does not have any workers		

2. Details of Fines/Penalties/Punishment/Award/Compounding Fees/Settlement Amount paid in proceedings (by the Entity or by Directors/KMPs) with Regulators/Law Enforcement Agencies/Judicial Institutions in the Financial Year.

Monetary					
	NGRBC Principle	Name of the Regulatory/ Enforcement agencies/ Judicial institution	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty/ Fine	0	0	0	0	No
Settlement	0	0	0	0	No
Compounding Fee	0	0	0	0	No
Non-Monetary					
	NGRBC Principle	Name of the Regulatory/ Enforcement Agencies/ Judicial institution	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Imprisonment					
Punishment			0		
Of the instances disclosed in above Question, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed		Case Details	Name of the Regulatory/Enforcement Agencies/Judicial Institutions		
			Not applicable		

**3. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

- Yes, VIL upholds the highest standards of integrity and transparency through its Code of Conduct (CoC). The same can be accessed at "[Code of Conduct](#)". VIL has a robust anti-bribery and anti-corruption policy embedded within the Code of Conduct. As per the Code, any Director, full and part-time employees, subsidiaries and any other authorized representative of VIL should endeavour to deal fairly across all interactions and routine business activities. As per the policy, employees and their relatives are not permitted to offer or receive bribes in the form of gifts, cash, facilities, or any other manner, either directly or indirectly.
- The policy also provides guidelines on due diligence to be exercised at the time of selecting firms/entities for doing business, to avoid risks of bribery and corruption.
- **Training on Anti-Corruption and Anti-Bribery:** VIL employees are required to undergo an annual refresher training on the policy to acknowledge their understanding and commit to adhering to the defined guidelines.
- **Monitoring and Redressal of Corruption cases:** VIL has provided a whistle-blower mechanism to all employees and third parties to report any concerns associated with unethical business practices, including corruption and bribery.
- VIL has a formal procedure to investigate and address any complaint on bribery/ corruption and takes suitable disciplinary action in accordance with its Consequence Management Policy. Such misconduct is periodically reported to the Audit Committee of the Board. Disciplinary actions can include penalties, legal action and even termination of employment or business contract, depending upon severity of the breach.

The anti-bribery policy forms part of the CoC and reiterates that VIL does not tolerate any kind of facilitation payments. All business partners are also expected to follow similar standards of ethics when conducting business with VIL. Every vendor / supplier contract and purchase order include clauses on ethical purchase, bribery and corruption.

**4. Number of Directors/KMPs/Employees/Workers against whom disciplinary action was taken by any Law Enforcement Agency for the charges of bribery/ corruption:**

	Financial Year 2022-23	Financial Year 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**5. Details of complaints with regard to conflict of interest:**

	Financial Year 2022 - 23	Financial Year 2021 - 22
Number of complaints received in relation to issues of Conflict of Interest of the Directors.	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs.	0	0

**6. Provide details of any corrective action taken or underway on issues related to Fines/Penalties/Action taken by Regulators/Law Enforcement Agencies/Judicial Institutions, on cases of corruption and conflicts of interest.**

Not applicable, since no fines, penalties or actions were imposed by regulatory, law enforcement or judicial authorities on cases related to corruption and conflicts of interest.

**Leadership Indicators****1. Awareness programmes conducted for value chain partners on any of the principles during the Financial Year:**

<b>Total number of awareness programmes held</b>	<b>Topics / principles covered under the training</b>	<b>Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes</b>
2	VIL Health and Safety norms to all High-Risk suppliers	100%

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, as part of the Governance ecosystem, VIL has adopted robust systems to manage conflict of interests. The Code of Conduct requires Board Members to avoid situations that present a potential or actual conflict between their interest and the interest of VIL.

If anyone from our entity finds themselves in a position where their personal and business interests potentially came into conflict, they are required to declare, obtain approval and register these potential conflicts of interests. To help them decide whether they are facing a conflict of interest, they can imagine themselves explaining their actions to friends, a colleague or the media and consider whether they would feel comfortable. VIL's Code of Conduct covers guidelines related to Conflict of Interest. It is applicable to all Board of Directors and employees. It provides guidelines for avoiding any conflict of interest, both actual or apparent, and the mechanism to report any such situations that may give rise to a potential conflict.

Vodafone Idea's Related Party Transactions Policy is also present among VIL which intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between VIL and related parties. The Policy disallows the concerned or interested Director to participate in any discussion or approve contracts or arrangements with related parties, to avoid potential conflicts of interest.

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.****Essential indicators****1. Percentage of R&D and Capital Expenditure (CAPEX) Investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and Capex Investments made by the entity, respectively.**

	<b>Financial Year 2022-23</b>	<b>Financial Year 2021-22</b>	<b>Details of improvements in environmental and social impacts</b>
R&D	Not Recorded		Not Applicable
Capex			

**2. a. Does the entity have procedures in place for sustainable sourcing?**

Yes, 100% suppliers are onboarded in VIL, based on evaluation carried out by the Commercial function by collection of supplier data, analysis of the data, checking financial stability, visits to the supplier facilities, assessment as per process & ratings on questionnaires and cross reference from the Customers. Vendor must be compliant with all VIL policies like Code of Conduct, Anti-Bribery, Economic Sanctions & Trade Controls, Data Privacy & Protection Policy, Business Resilience, Information Security Policy and Health, Safety and Wellbeing Policy. Supplier must submit policy acceptance before vendor onboarding in system.

**b. If yes, what percentage of inputs were sourced sustainably?**

100% of the inputs were sourced sustainably

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Type of Waste	Method of Reclamation
Plastics including packaging	VIL disposes off its plastic waste including packaging through authorized waste vendor and follows its Extended Producer Responsibility.
E-waste	VIL disposes off its e-waste through authorized waste vendor who further recycles and reuses the waste
Hazardous waste	VIL disposes off its hazardous waste through authorized waste vendor
Other waste	VIL recognizes that effective scrap disposal management is a fundamental part of the way it conducts its operations. As a process, scrap is identified within departments and the write off note is sent for approval to the designated persons within VIL. Post approval, identified scrap is segregated basic or bulk composition (like metal, plastic, and glass) as well as on the type of waste (Solid, Hazardous, E-Waste, and Plastic) and packed through using environment friendly means.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, it is in line as per Central Pollution Control Boards (CPCB) for Plastic Waste as an Importer of the goods.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of Total Turnover Contributed	Boundary for which LCA was conducted	Whether conducted by Independent Agency	Results in Public Domain
No					

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of the Product/Service	Description of the risk concern	Action taken
Not applicable		

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or Reused Input Material to Total Material	
	Financial Year 2022-23	Financial Year 2021-22
Not Applicable		

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed**

	Financial Year 2022-23			Financial Year 2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						

Not Applicable

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. Measures undertaken for Employee Wellbeing –**

**a. Details of measures for the well-being of employees:**

Category	Total (A)	% of Employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Employees</b>											
Male	7706	7706	100%	7706	100%	0	-	7706	100%	7706	100%
Female	1664	1664	100%	1664	100%	1664	100%	0	-	1664	100%
Total	9370	9370	100%	9370	100%	1664	18%	7706	72%	9370	100%
<b>Other than Permanent Employees</b>											
Male											
Female											
Total											

Not Applicable

**b. Details of measures for the well-being of workers:**

Category	Total (A)	% of Workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Workers</b>											
Male											
Female											
Total											
<b>Other than Permanent Workers</b>											
Male											
Female											
Total											

Not Applicable

Not Applicable



## 2. Details of Retirement Benefits, for Financial Year 2022-23 and Financial Year 2021-22

Benefits	Financial Year 2022-23			Financial Year 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%			100%		
Gratuity	100% (Subject to the eligibility criteria in the Gratuity Act)	Not Applicable	Yes	100% (Subject to the eligibility criteria in the Gratuity Act)	Not Applicable	Yes
ESI	0.2%			0.2%		
Other	-	-	-	-	-	-

## 3. Accessibility of workplaces:

**Are the premises / offices of the entity accessible to differently abled employees, any workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

The key office locations of the organization across India have accessible premises for differently abled visitors including wheel chair support and reserved parking.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Code of Conduct Policy articulates the Company's commitment to the principle of "equal opportunity" for all employees.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	98%		
Female	100%	89%		
Total	100%	92%	Not applicable	

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Yes/No	
(If yes, then give details of the mechanism in brief)	
Permanent Workers	
Other than Permanent Workers	Not applicable
Permanent Employees	Yes.
Other than Permanent Employees	The <u>VIL Speak Up Policy</u> talks in detail about the mechanism to receive and redress grievances. The Code of Conduct sets out our business principles and requires all persons working for and with VIL, to uphold these values by acting in a responsible, ethical & lawful manner. The Speak Up mechanism acts as a dynamic source of information which helps in realigning various processes and to take corrective actions as part of good governance practice. The purpose of this policy is two-fold:

- Provides a platform & mechanism to voice genuine concerns or grievances about unprofessional conduct not limited to abuse of systems, conflict of interest, bribery, fraud, breach of data privacy, danger to health & safety, violation of process / policy, price fixing, etc., without fear of reprisal.
- Provides an environment that promotes responsible and protected whistle blowing. It reminds Employees about their duty to report any suspected violation of any law or unethical behavior that applies to VIL and any suspected violation of VIL's stated values or the Code of Conduct.

**7. Membership of employees and workers in Association(s) or Unions recognized by the listed entity:**

Category	Financial Year 2022-23			Financial Year 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of Association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of Association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male						
Female						
Total Permanent Workers			None			
Male						
Female						

**8. Details of training given to employees and workers:**

Category	Financial Year 2022-23					Financial Year 2021-22				
	Total (A)	On Health Safety		On Skill Upgradation		Total (D)	On Health Safety		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	7706	7706	100%	7650	99%	7496	7496	100%	7421	99%
Female	1664	1664	100%	1650	99%	1408	1408	100%	1390	99%
Total	9370	9370	100%	9300	99%	8904	8904	100%	8811	99%
<b>Workers</b>										
Male										
Female										
Total										

Not Applicable

## 9. Details of performance and career development reviews of employees and worker:

Benefits	Financial Year 2022 - 23			Financial Year 2021 - 22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	7706	7706	100%	7496	7496	100%
Female	1664	1664	100%	1408	1408	100%
Total	9370	9370	100%	8904	8904	100%
<b>Workers</b>						
Male	Not Applicable					

## 10. Health and Safety Management System:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. VIL has an unwavering commitment and a robust management system for HSW of all the people. VIL integrates the HSW agenda across its business operations using a three-pronged approach in terms of People, Processes and Properties (Equipment and Facilities). This approach safeguards all employees, employees of vendors, contractors and sub-contractors working for or on behalf of the organization from any untoward incidents. Few processes that are in place are provided below:

1. Safety Induction: Everyone working for Vi undergo Safety induction on day one of their joining
2. Deep Dive Audits: Every Vi managed premises undergoes HSW Deep Dive audit twice in the year
3. Annual Maintenance Contracts: All critical equipments are covered under AMC
4. Robust Contractor On-boarding Process: Every Contractor sign-off HSW agreement and submit a detailed safety plan for all their activities
5. Tier Declaration: We don't allow sub-contracting beyond tier-II
6. Job Specific Trainings: Everyone working for Vi undergo Job Specific HSW Trainings before going on the field
7. Safety Council Meetings: Every Cluster reviews their safety performance on a monthly basis during the safety council meetings
8. High Risk Contractor's Meet: All the high risk contractors meet with their contract coordinator on a periodic basis to share their concerns and seek support for ensuring robust implementation of HSW norms
9. HSW Facilitation Program: Under this program the HSW team meets with the field team to understand their day to day work related challenges. In addition to this, the HSW team also tries to provide the safest possible solutions to carryout work

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

VIL employs various tools to identify work related hazards such as ensuring permit to work, Safety Plan, Last minute risk assessment, Job Safety Analysis, Deep Dive Audits, among others, on a routine and non-routine basis to ensure work related hazards are identified and mitigated in a timely manner.

### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

### d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	Financial Year	Financial Year
		2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.049	0.097
	Workers	NA	NA
Total recordable work-related injuries	Employees	3	4
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	2
	Workers	NA	NA

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Yes. VIL has unwavering commitment and a robust management system for health, safety and wellbeing (HSW) of all the people. VIL integrates the HSW agenda across the business operations using a three-pronged approach in terms of People, Processes and Properties (Equipment and Facilities). This approach safeguards all employees, employees of vendors, contractors and sub-contractors working for or on behalf of the organization from any untoward incidents. Few processes in place are provided below:

- a. Safety Induction:** All employees and workers undergo Safety induction on day one of their joining
- b. Deep Dive Audits:** Every VIL managed premises undergoes HSW Deep Dive audit twice in a year
- c. Annual Maintenance Contracts (AMC):** All critical equipment are covered under AMC
- d. Robust Contractor On-boarding Process:** Every Contractor sign-off HSW agreement and submit a detailed safety plan for all their activities
- e. Job Specific Trainings:** All employees and workers undergo Job Specific HSW Trainings before entering the field
- f. Safety Council Meetings:** Every Clusters review their safety performance monthly during safety council meetings
- g. High Risk Contractor's Meet:** All the high-risk contractors convene with their contract coordinator on a periodic basis to share their concerns and seek support for ensuring robust implementation of HSW norms
- h. HSW Facilitation Program:** Under this program, the HSW team engages with the field team to understand their day to day work related challenges as well as provides best practices for safe discharge of duties.
- i. Third Party Vendor Audits:** Electrical inspection is conducted for all Vi Commercial warehouses to minimize the risk of accidents like fires due to short circuits.

**13. Number of Complaints on the following made by employees and workers:**

	Financial Year 2022-23			Financial Year 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

**14. Assessments for the year:**

	<b>% Of your plants and offices that were assessed. (by entity or statutory authorities or third parties)</b>
Health and Safety Practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

VIL has a robust mechanism for corrective actions when addressing safety related incidents. The following corrective actions are undertaken to minimize the risks to health and safety and maintain a safe working condition for all employees:

- Portal Anchor Point provided for ensuring safe execution of work on roof top towers
- Insulated hand tools provided for safe handling of electrical equipment
- Man-Machine Segregation provided in warehouse
- In the process of addressing risk pertaining to loose objects in fault restoration vehicles
- Addressed ergonomic risk pertaining to kitting operation by elevating the height of working platform
- All vehicles equipped with GPS and speed governor
- Relocated AC Outdoor units to reduce exposure from working at height
- In the process of incorporating VR modules for imparting HSW trainings
- Vi Commercial transporters are 100% trained on Defensive Drivers Training before commencement of trip
- Project Maitree is introduced for Female staff in the Vi commercial warehouse. In this program VC/F2F meeting are held with these women/girls/PWD for addressing any concern/issue they may have. More importantly it serves as an opportunity for them to learn & grow.

**Leadership Indicators****1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?**

Yes. As a responsible organization, VIL provides life insurance or any compensatory package in the event of the death of employees. Since VIL has no workers, the segment is not applicable.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

VIL conducts due diligence for its value chain partners, through self-assessment surveys, to monitor timely deduction and deposit of statutory dues. Additionally, VIL has defined guidelines for value chain partners as part of its Code of Conduct to pay remuneration to their employees in compliance with the applicable laws and regulations which may include minimum wages, deduction from wages, overtime hours and associated applicable benefits.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	<b>Total no. of affected employees/ workers</b>		<b>No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment</b>	
	<b>Financial Year 2022-23</b>	<b>Financial Year 2021-22</b>	<b>Financial Year 2022-23</b>	<b>Financial Year 2021-22</b>
Employees	1	2	1	2
Workers	NA	NA	NA	NA



**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes

The organization provides employment extension opportunity in case of retirement on a case to case basis depending on the business requirement.

**5. Details on assessment of Value Chain Partners:**

	<b>% of Value Chain Partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	100%
Working Conditions	100%

**6. Provide details of any corrective actions taken or underway to address significant risks concerns arising from assessments of health and safety practices and working conditions of Value Chain Partners.**

While corrective actions were not required as no significant risks and concerns arose, VIL follows a Supplier Consequence Management Matrix (CMM) which is shared with all suppliers. As per the CMM, non-compliance with the HSW policy is not tolerated.

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

VIL engages with all stakeholders – national, state, and local government, civil society organizations, academic institutions, corporate partners, implementing partners and beneficiaries – through a wide variety of tools. In the last year, VIL conducted a roundtable on financial literacy where several stakeholders from the sector were engaged; a technology conclave in which several civil society organizations showcased their technology innovations in the development sector and an all-partners meeting. Additionally, VIL participates in several events, consultations organized by other civil society organizations which help in identifying the key stakeholders. The stepwise processes for identifying key stakeholder groups are as follows:

- i. Identification of potential partners based on business requirements, due diligence done by business teams, who can serve the desired purpose. There are a set of discussions done by the business teams to understand partner capabilities, interest in doing business, credentials, operating models, etc.
- ii. A list of shortlisted partners from the business teams is shared with the SCM team and other cross-functional teams as required depending on the nature of business task. SCM teams conducts its own due diligence on the shortlisted parties and invites commercial proposals. SCM team also incorporates tech due-diligence, if any, and presents their recommendation to the business / other cross-functional teams.
- iii. Business teams, jointly with SCM and other cross-functional teams make a final selection of the partner and proceed for further approvals as per DoA.
- iv. Third Party screening for Suppliers are done through Dow Jones Risk Center (Dow Jones Risk & Compliance is a global provider of third-party risk management and regulatory compliance solutions) to ensure regular due diligence of our suppliers & third party and identify any reputational risks.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group. (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Electronic correspondence, press briefings, Analyst meets and Earning calls	Quarterly/Ongoing	
Shareholders	No	Annual General Meeting and Extra-ordinary General Meeting	Annually/Ongoing	<ul style="list-style-type: none"> <li>Address queries of investors on operations of VIL</li> <li>Promote transparency among existing and potential investors</li> </ul>
Customers	No	SMS, electronic correspondence, interaction during business field visit	Continuous	Sensitize on services being offered
Suppliers	No	Email	Monthly/half yearly	<ul style="list-style-type: none"> <li>Sensitization sessions</li> <li>Policy communication</li> <li>Supplier assessment</li> <li>Grievance redressal</li> </ul>
Regulators	No	Email, Letter, Meeting etc.	As per the needs and requirements	Related to operation of telecom sector
Community/NGO	Yes	Meetings, Pamphlets, Emailers	Monthly	<ul style="list-style-type: none"> <li>Project implementation</li> <li>Grievance redressal</li> </ul>
Employee	No	<ul style="list-style-type: none"> <li>Events and Sessions</li> <li>Regular employee communication forums</li> <li>Engagement emails</li> <li>Annual Employee surveys</li> <li>Townhall deliberation</li> </ul>	On-Going and Continuous	<ul style="list-style-type: none"> <li>Learning and development</li> <li>Employee recognition and engagement activities</li> <li>Employee performance review and career development</li> <li>Employee safety and well-being</li> </ul>
Distributors/Retailers	No	Physical visit, Email, SMS, WhatsApp	Daily	<ul style="list-style-type: none"> <li>Business queries</li> </ul>

**Leadership Indicators**

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

VIL maintains a constant dialogue between the Board and the leadership with different sections of the civil societies. Before the commencement of engagement with any organization, a problem statement is identified where a meaningful intervention leveraging VIL's strength in technology can be developed and scaled-up. After the problem statement has been well articulated, appropriate implementing organizations are identified that undergo thorough due diligence before any formal engagement. At each stage of the project, VIL's Board and senior management are apprised using various tools such as meetings, field visits, and participation in high profile events.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, VIL follows a comprehensive consultation framework to identify and engage different sections of the civil society to deepen our understanding of key areas of our intervention. VIL regularly participates in external meetings, conferences, events and other platforms to engage with civil society organizations and adapt to major trends emerging in the space. Additionally, VIL organizes regular engagements with implementing partners and special events throughout the programme duration.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

All CSR programs of VIL are geared towards addressing needs of marginalized communities and working with the singular objective of improving the quality of their lives. The education interventions are focused on improving access to quality tools for teachers to teach better, while the financial literacy programme aims to empower underserved people with financial education to get them under the ambit of financial inclusion. Similarly, Smart Agri programme helps the small and marginal farmers to adopt use of technology in the agricultural practices to increase the yield, reduce the input cost etc.

**Principle 5: Businesses should respect and promote human rights**

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	Financial Year 2022-23			Financial Year 2021-22		
	Total	No. employees/ workers covered	% (B/A)	Total	No. employees/ workers covered	% (D/C)
	(A)	(B)		(C)	(D)	
<b>Employees</b>						
Permanent	9370	9370	100%	8904	8904	100%
Other than permanent	6234	6234	100%	6315	6315	100%
Total Employees	15604	15604	100%	15219	15219	100%
<b>Workers</b>						
Permanent						
Other than permanent						
Total Workers						

Not Applicable

**2. Details of minimum wages paid to employees and workers, in the following format:**

Category	Financial Year 2022-23					Financial Year 2021-22				
	Total (A)	Equal to		More than		Total (D)	Equal to		More than	
		Minimum Wages		Minimum wages			Minimum Wages		Minimum wages	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E /D)	Number (F)	% (F/D)
Employees										
Permanent	9370			9370	100%	8904			8904	100%
Male	7706			7706	100%	7496			7496	100%
Female	1664			1664	100%	1408			1408	100%

Category	Financial Year 2022-23					Financial Year 2021-22				
	Total (A)	Equal to Minimum Wages		More than Minimum wages		Total (D)	Equal to Minimum Wages		More than Minimum wages	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E /D)	Number (F)	% (F/D)
Other than permanent	6234			6234	100%	6315			6315	100%
Male	4415			4415	100%	4576			4576	100%
Female	1819			1819	100%	1739			1739	100%
Workers										
Permanent										
Male										
Female										
Other than permanent										
Male										
Female										

Not Applicable

### 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in ₹)	Number	Median remuneration/ salary/ wages of respective category (in ₹)
Board of Directors (BoD)	12	NA	1	NA
Key Managerial Personnel (KMP)	3	2,28,31,344	0	-
Employees other than BOD and KMP	7703	12,10,344	1664	9,87,528
Workers		NA		

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have institutionalized a mechanism to allow for reporting and remediation of all human rights violations through our Speak Up Policy. The Speak Up mechanism acts as a dynamic source of information which will help in realigning various processes and take corrective actions as part of good governance practice. The mechanisms to redress grievances related to human rights issues includes a comprehensive approach which provides a platform & mechanism to voice genuine concerns or grievances without any fear of reprisal.

**6. Number of Complaints on the following made by employees and workers:**

	Financial Year 2022-23			Financial Year 2021 - 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	8	2	-	5	2	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

As per the guidelines of the Speak Up Policy a comprehensive approach is designed to offer protection, anonymity and confidentiality to the complainant. VIL affirms that it will not allow any complainant to be victimized for making any complaint. Any kind of victimization of the whistle-blower that is brought to the notice of the Value Standards Committee (VSC) will be treated as an act warranting disciplinary action and will be treated as such. We also have a provision to transfer the complainant workplace / role to prevent against victimization / retaliation.

**8. Do human rights requirements form part of your business agreements and contracts? (Y/N)**

Yes

**9. Assessments for the year:**

% of your plants and offices that were assessed (By entity or statutory authorities or third parties)	
Child labour	Not Recorded
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question above.**

No risks or concern were accounted post the internal assessment of VIL's operations for the human rights parameters.

**Leadership Indicators****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No changes or modifications have taken place in the reporting period

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

Not applicable



**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

**4. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment*	100%
Discrimination at workplace*	100%
Child Labour**	100%
Forced Labour/Involuntary Labour**	100%
Wages**	100%
Others – please specify	-

\* It is part of Supplier Code of Conduct

\*\* Vendor Declaration is taken through the Vendor Compliance Portal

**5. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 4 above.**

Not Applicable

**Principle 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

<b>Parameter</b>	<b>Financial Year 2022-23 (GJ)</b>	<b>Financial Year 2021-22 (GJ)</b>
Total electricity consumption (A)	19,40,300 GJ	19,47,118 GJ
Total fuel consumption (B)	1,27,043 GJ	1,24,730.9 GJ
Energy consumption through other sources (C)	NIL	NIL
<b>Total energy consumption (A+B+C)</b>	<b>20,67,343 GJ</b>	<b>20,71,848.9 GJ</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.49	0.54
Energy intensity (optional) – the relevant metric may be selected by the entity.	-	-

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	Financial Year 2022-23	Financial Year 2021-22
<b>Water Withdrawn by the source (KL)</b>		
Surface Water	Does not Record	
Ground Water		
3rd Party Water		
Seawater/ desalinated water		
Other sources		
Total Volume of Water Withdrawn	Does not Record	
Total Volume of Water Consumed (KL)*		
Water intensity per rupee of turnover. ( <i>Water consumed/turnover</i> )		
Water intensity (optional) – the relevant metric may be selected by the entity		

\*Since we are in multi-tenanted premises at most of the locations, we do not have separate metering provisions for water consumptions and discharge.

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

NO

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	MT	Does not Record	
SOx	MT		
Particulate matter (PM)	MT		
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-		
Others – please specify	-		

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format**

Parameter	Unit	FY 22-23	FY 21-22
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	9,915.63	9735.16
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	4,36,567.4	3,84,014.9*
Total Scope 1 and Scope 2 emissions per rupee of turnover	Total emissions / Turnover	0.10	0.10

\* Increase in FY 2022-23 displayed due to the CEA Version 18 emissions factor of electricity being 0.81 as opposed to FY 2021-22 being 0.71

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

VIL continuously strives to reduce its GHG emissions across operations and mitigate its negative impacts on the environment and society at large. Some of the key initiatives implemented in line with the foundational objectives laid down as part of Green Idea as well as VIL's Energy and Carbon Management Policy include:

- 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.

As a result, VIL has achieved:

- Over 75% of VIL's BTS portfolio – Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS)
- Diesel elimination project initiated by VIL to reduce carbon footprint continued at over 13,000 sites in Financial Year 2022-23
- Power saving features implemented to reduce energy consumption
- Telecom hardware procurement comprises of low power consuming telecom hardware
- RET based generation through Power Purchased Agreements, against VIL consumption where feasible.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	Financial Year 2022-23	Financial Year 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	18.03	17.72
E-waste (B)	628.78	3012.75
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	0.01	9.31
Battery waste (E)	477.2	772.33
Radioactive waste (F)	38.47	206.93
Other Hazardous waste. Please specify, if any. (G) (Jelly filled cable, Insulated wires, Insulated cables, copper cables, any other cables, used lead acid batteries, used oil, remaining containers and cur cables)	108.99	480.36
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)(All Iron materials, Furniture, cabinets, microwave antenna, GSM antenna, wooden items and Rack)	1903.60	3186.00
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>3175.14</b>	<b>7684.87</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
<b>Category of waste</b>		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Category of disposal Method</b>		
(i) Incineration^	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

VIL recognizes that effective scrap disposal management is a fundamental part of the way it conducts its operations. As a process, scrap is identified within departments and the write off note is sent for approval to the designated persons within VIL. Post approval, identified scrap is segregated basic or bulk composition (like metal, plastic, and glass) as

well as on the type of waste (Solid, Hazardous, E-Waste, and Plastic) and packed through using environment friendly means. As per the categorizations, for hazardous material following actions are taken by Commercial Department:

- (a) Requisite Regulatory approvals and action plan for obtaining the same as per DOT guidelines
- (b) The best possible method of disposal (including safe destruction of material to avoid possible misuse/pollution) among others.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable			

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
No assessment has been undertaken in Financial Year 2022-23.					

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances**

S. No.	Specify the law / regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines /penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
VIL ensures to comply with all regulatory and statutory requirements as per Environment and Water protection Act, including Environment Protection Act, Water and Air act and rules, Hazardous Waste rules, among others.				

**Leadership Indicators**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources (in GJ)</b>		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>0</b>	<b>0</b>
<b>From non-renewable sources (in GJ)</b>		
Total electricity consumption (D)	19,40,300 GJ	19,47,118 GJ
Total fuel consumption (E)	1,27,043 GJ	1,24,730.9 GJ
Energy consumption through other sources (F)	NIL	NIL
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>20,67,343 GJ</b>	<b>20,71,848.9</b>

Note: No external assurance was carried out on environmental parameters for FY 2022-23

**2. Provide the following details related to water discharged:**

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (KL)</b>		
<b>(i) To Surface Water*</b>		
- No treatment		
- With treatment(please specify level of treatment)		
<b>(ii) To Groundwater</b>		
- No treatment		
- With treatment(please specify level of treatment)		
<b>(iii) To Seawater*</b>		
- No treatment		
- With treatment(please specify level of treatment)		Does not Record
<b>(iv) Sent to third parties*</b>		
- No treatment		
- With treatment(please specify level of treatment)		
<b>(v) Others*</b>		
- No treatment		
- With treatment(please specify level of treatment)		
<b>Total Water discharged (KL)</b>		

\* Since we are in multi-tenanted premises at most of the locations, we do not have separate metering provisions for water consumptions and discharge.

**3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

**For each facility / plant located in areas of water stress, provide the following information:**

Not Applicable. VIL's operation sites are not located in water stressed regions nor water is withdrawn, consumed, nor discharged from any water stressed areas.

**a. Name of the area** Not Applicable

**b. Nature of operations** Not Applicable

**c. Water withdrawal, consumption and discharge in the following format:**

Parameter	Financial Year 2022-23	Financial Year 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		Not Applicable as VIL's sites are not located in any water stress areas.
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		

Parameter	Financial Year 2022-23	Financial Year 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water - No treatment With treatment – please specify level of treatment		
(ii) Into Groundwater - No treatment With treatment – please specify level of treatment		
(iii) Into Seawater - No treatment With treatment – please specify level of treatment	Not Applicable as VIL’s sites are not located in any water stress areas	
(iv) Sent to third parties - No treatment With treatment – please specify level of treatment		
(v) Others - No treatment With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	Financial Year 2022-23	Financial Year 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent		
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO <sub>2</sub> equivalent	Does not Record	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO <sub>2</sub> equivalent		

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable. None of the VIL's operations are located in or around any ecologically sensitive areas.



**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Water and Energy Managment	<ul style="list-style-type: none"> <li>Paper Waste</li> <li>Electricity consumption savings by using LEDs</li> <li>Water Waste management               <ol style="list-style-type: none"> <li>Reduced carbon emission – by reducing Diesel operated equipment's</li> <li>Green energy</li> </ol> </li> </ul> <p>Measures taken:</p> <ul style="list-style-type: none"> <li>Tree savings: Double sided printing, use of Re-cycled paper, Wastage Packing Materials Reutilized</li> <li>Energy savings – LED usage, light sensor.</li> <li>Water savings - Water Aerator, Fragrance Mat for Urinal</li> </ul> <p>Reduced carbon emission- use of electrical MHE, CNG &amp; Electric Vehicle</p>	<p>Tree Savings:</p> <ol style="list-style-type: none"> <li>Double side printing – 2 Mn paper, 588 No of trees &amp; ₹ 6 Lac saving</li> <li>Use of recycled paper - 1452 Nos of trees &amp; 1330 Kwh electricity saving</li> <li>Recycled and use of packaging material - 40 Tons of Cardboard, Wood &amp; Plastic reutilization</li> </ol> <ul style="list-style-type: none"> <li>Energy and cost savings – through use of LED lights and motion sensor - 45 K Electricity Unit Saved and ₹ 8 Lacs saving on charges.</li> <li>Water savings ~ 156 Lacs Liter water saving due to installation of water aerator, use of fragrance mat at Urinal, use of double side printing, use of recycled paper</li> <li>Solar Power - Work in progress to complete this project at 2 WHs in FY23</li> </ul>

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes. VIL has a Physical Security Policy that ensures the implementation of physical security measures that needs to be adopted across all facilities of VIL. The policy ensures acceptable levels of physical security and safety of employees, its service partners, associates, physical assets, and those visiting the VIL premises. This policy covers the physical security, aspects of access control, CCTV surveillance, fire safety measures and pandemic measures which need to be adopted to provide a safe and secure environment for the staff and successful & efficient functioning of the business. This policy is has to be complied by all the employees, management, affiliates, associates, contractors, and third party that are directly or indirectly associated with the business of VIL.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

No significant adverse impact was identified on the involvement arising from VIL value chain.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

100% value chain partners were assessed for environmental impacts. As a part of VIL policies, Vendor confirmation on abiding to VIL Environmental polices is taken during the Vendor Onboarding stage.

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. Public Policy Advocacy**

**a. Number of affiliations with trade and industry chambers/ associations.**

As one of the leading mobile operators in the country, VIL 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. VIL is an active player in the following national and international industry associations (either directly or through its subsidiaries)

Currently, VIL is a member of 11 associations.

VIL is an active player in the following national and international industry associations (either directly or through its subsidiaries)

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

<b>Sr. No.</b>	<b>Name of the trade and industry chambers/ associations</b>	<b>Reach of trade and industry chambers/ associations (State/National)</b>
1	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
2	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	Confederation of Indian Industry (CII)	National
4	Cellular Operators Association of India (COAI)	National
5	GSM Association (GSMA)	National
6	European Business Group (EBG)	European Union
7	UK India Business Council (UKIBC)	India/United Kingdom
8	Telecom Sector Skill Council of India	National
9	Telecommunications Standards Development Society, India (TSDSI)	National
10	Telecom Export Promotion Council (TEPC)	National
11	Communications, Multimedia and Infrastructure Association of India (CMAI)	National

Through its association with the above bodies, VIL actively participates in discussions relating to policy development on several issues pertaining to the telecom industry, including new draft Telecom Bill, development of a world class communications infrastructure, ease of doing business, Right of Way (RoW) policies & processes, promoting broadband and Data Economy, enabling the evolution and development of emerging technologies, etc.

VIL is a key member of the COAI. It presently holds the Vice Chair of COAI. Its senior executives are Chair/ Co-chair of various Committees of the industry body.

VIL through the Chief Regulatory & Corporate Affairs Officer is on the governing body of Telecom Sector Skill Council. The Company is also represented on various industry fora as Chair of the Assocham National Council on Digital Communications, co-Chair of the FICCI Communication and Digital Economy Committee.

VIL 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.

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.

Through its active participation in various industry bodies, VIL 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.

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of Authority	Brief of the case	Corrective action taken
NIL		

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly /Others – please specify)	WebLink, if available
--------	-------------------------	-----------------------------------	----------------------------------------------------------	------------------------------------------------------------------------------------------	-----------------------

The Company plays an important role in advocating issues of the telecom sector and promoting 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.

**Principle 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Weblink
-----------------------------------	----------------------	----------------------	-------------------------------------------------------------	--------------------------------------------------	------------------

VIL has conducted a plethora of Impact Assessments under Corporate Social Responsibility programs to assess our impact on communities. However, those don't qualify under the Social Impact Assessment under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Thus, while VIL has conducted Impact Assessments and Studies, SIAs are not conducted. The following are the impact assessments conducted in the reporting period:

- Smart Agri: Leveraging Technology for Self-Subsistence to Enterprise Farming
- Jigyasa
- Jaadu Ginni Ka
- Connecting for Good
- Vi Scholarships
- Digital Village: Empowering Communities – RSV

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
No projects pertinent to Rehabilitation and Resettlement (R&R) were undertaken in the reporting period as no need arose for such projects						

**3. Describe the mechanisms to receive and redress grievances of the community.**

VIL ensures all the voices of communities affected by VIL's operations are heard by organising regular meetings and consultations with beneficiaries and implementing NGOs. It promotes a transparent mechanism for receiving, understanding, and resolving grievances of community members in a fair, and timely manner.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	10%	8%
Sourced directly from within the district and neighboring districts	3%	9%

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments**

No negative social impacts identified as part of our Impact Assessments and thus, no mitigation actions were required for any social impacts, negative in nature.

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

State	Aspirational District	Amount spent (In ₹)
Rajasthan	Sirohi, Karoli	8 Lakhs
Uttarakhand	Haridwar, US Nagar	8 Lakhs
Orissa	Dhenkanal, Kalahandi	4 Lakhs
Kerala	Wayanad	2 Lakhs
Karnataka	Raichur	2 Lakhs
Maharashtra	Washim, Nanded	4 Lakhs
Jharkhand	Ramgarh, Palamu, Ranchi, Hazaribagh, Sahibganj, Pakur, Lohardaga, Latehar, Garhwa, Bokaro, Dumka	22 Lakhs
Jammu and Kashmir	Baramulla	2 Lakhs
Bihar	Sitamarhi, Aurangabad, Banka, Gaya, Muzaffarpur	10 Lakhs
Chhattisgarh	Rajnandgaon, Korba, Mahasamund, Bastar, Bijapur, Dantewada, Kanker, Kondagaon	25 Lakhs
Madhya Pradesh	Damoh, Barwani, Rajgarh, Vidisha, Guna, Singrauli, Khandwa, Chhatarpur	25 Lakhs
Andhra Pradesh	"Visakhapatnam, Kadapa, Vizianagaram	6 Lakhs
Uttar Pradesh	Fatehpur, Balrampur, Shravasti, Bahraich, Siddharthnagar, Chandauli, Sobhadra, Fatehpur, Chitrakoot	29 Lakhs

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No. Currently, VIL does not have a preferential procurement policy that provides preference to purchase from suppliers comprising vulnerable groups and communities. However, VIL will instate such processes in the near future.

**(b) From which marginalized /vulnerable groups do you procure?**

Does not monitor currently but will do so in the near future.

**(c) What percentage of total procurement (by value) does it constitute?**

Not applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current Financial Year), based on traditional knowledge**

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	VIL provides telecommunication services based on latest technology and has not acquired any intellectual property based on traditional knowledge			

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**

Name of authority	Brief of the Case	Corrective action taken
No disputes were reported with respect to intellectual property in the reporting period.		

**6. Details of beneficiaries of CSR Projects:**

CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
<b>Smart Agri: Leveraging Technology for Self-Subsistence to Enterprise Farming.</b> The program was conceptualized and designed with the aim to enhance the livelihood of farmers through sustainable farming approaches and the use of SMART technologies. It aims to improve farm productivity, reduce input cost, and enhance income of farmers etc. using IoT Solutions (automated weather station, soil moisture sensors, crop view camera, insect trap etc.) deployed in the farm field.	1.6 lakh farmers	80%
<b>Jigyasa:</b> VIL's flagship program in education – Jigyasa was developed on the “Knowledge for life” model. 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, and introducing digital content in the classroom to make learning and teaching more enjoyable and engaging. The program has also helped in augmenting the existing digital infrastructure in the project schools as needed.	2.5 lakh teachers and students	75%

CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
<b>Jaadu Ginni Ka:</b> Using the power of mobile technology, Vodafone Foundations' flagship programme on financial literacy - Jaadu Ginni Ka, aims to create awareness amongst youth, urban poor, farmers, artisans, rural women, micro-entrepreneurs, students (15 years and above) on the basic tenets of financial planning/management and on several government schemes.	20 lakhs	75%
<b>Connecting for Good:</b> The Connecting for Good program is one of the key CSR programs of the Vodafone Idea Limited. It aims to foster an ecosystem that encourages the use of technology in addressing social challenges. The program empowers NGOs, attempts to drive innovation, disseminate knowledge and upscale their interventions for greater impact through two distinct areas: Social App Hub and Solutions for Good - which are being offered to the target group.	45000 students	100%
<b>Vi Scholarships:</b> VIL Scholarships aims to provide financial support to deserving students and acknowledge outstanding teachers for their academic endeavours.	2 lakhs	80%
<b>Digital Village: Empowering Communities – RSV:</b> The project aims to create rural micro entrepreneurs by leveraging the strength of technology and support to rural women in setting up local supply chain system right from procurement of raw produce to finishing and selling of these products by local rural women (RUDI Bens).	4500	100%

## Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

VIL provides multiples channels for customers to raise complaints and provide feedback. Complaints received from all touchpoints (e.g., Contact Centre, Email, Digital, Vi app., Retail Outlets). All of the complaints are flagged in CRM, which is addressed by the Back Office Team. Each complaint resolution is governed by a pre-defined TAT.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental product and social parameters relevant to the Product	Does not have
Safe and responsible usage	Does not have
Recycling and/or safe disposal	Does not have



### 3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remark	FY 2021-22		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising						
Cyber-security	0	0	-	0	0	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Customer	15042925	7857	Vi adheres to TRAI Policy of grievance redressal. Customer can register complaints through different modes (CC, Store, App, Web, Email, DoT/TRAI/PG portal etc.). Customer receives the Service Request number via SMS along with TAT at the time of complaint registration. Complaint is resolved by the Central Back Office team as per the pre-defined TAT, and the resolution is communicated via SMS / Call. In case the customers are not satisfied with the resolution, they have the option to appeal within 30 days of the resolution.	21786207	17487	Vi adheres to TRAI Policy of grievance redressal. Customer can register complaints through different modes (CC, Store, App, Web, Email, DoT/TRAI/PG portal etc.). Customer receives the Service Request number via SMS along with TAT at the time of complaint registration. Complaint is resolved by the Central Back Office team as per the pre-defined TAT, and the resolution is communicated via SMS / Call. In case the customers are not satisfied with the resolution, they have the option to appeal within 30 days of the resolution.

### 4. Details of instances of product recalls on account of safety issues:

	Number	Reason for Recall
Voluntary Recall		
Forced Recall		NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.**

Yes, VIL has an IT/Cybersecurity policy which addresses incidents related to cyber security and data privacy. The policy sets forth basic requirements for keeping a workplace safe, where confidential and sensitive information about NFIL employees, customers, suppliers, and all stakeholders is secured. The Policy is available at internal intra web portal

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable, as no such incidents were reported for current financial year.

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

All details related with the products and services of VIL are available on the portal and mobile application of VIL. (<https://www.myvi.in>)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

VIL carries out regular campaigns to inform and educate consumers about the products and services. Additionally, SMS are sent to customers at regular interval about the services and products and also uses social media platform to educate the consumers.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Yes. All/Any Communication directives received from Regulatory & Govt. authorities are complied with on an immediate basis.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, Product information details are displayed on the portal and application for easy understanding of the customers. It abides with the government norms and regulations. Our entity undertakes a detailed market research on assessing consumer satisfaction for all our services offerings. In Financial Year 2022-23, VIL conducted a nation-wide Net Promotor Study (NPS Study) across many circles in India for both prepaid as well as postpaid segments. The objective of this study is to gauge satisfaction amongst the customer base on our products and services.

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along with impact**

No incidents of data breaches were reported for Financial Year 2022-23.

**b. Percentage of data breaches involving personally identifiable information of customers**

No incidents of data breaches were reported for Financial Year 2022-23.

# Independent Auditor's Report

## To the Members of Vodafone Idea Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Vodafone Idea Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cashflows and the Statement of Changes in Equity for the year then ended, and notes to the standalone 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 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, 2023, 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 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 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 financial statements.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the financial statements, which describes the Company's financial condition as of March 31, 2023 and its debt obligations due for the next 12 months. The Company's financial performance has impacted its ability to generate the cash flow that it needs to settle/refinance its liabilities as they fall due.

The Company's ability to continue as a going concern is dependent on its ability to raise additional funds as required and successful negotiations with lenders and vendors for continued support and generation of cash flow from its operations that it needs to settle its liabilities 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 financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition (as described in note 5(a) of the Standalone financial statements)</b>	
<p>For the year ended March 31, 2023, the service revenue recognised was ₹ 418,788 million.</p> <p>Revenue recognition has been identified as a key audit matter due to complexity of systems in recognizing revenues, significance of volumes of data process by system, constantly evolving pricing with discounted tariffs and operation in highly competitive marketplace.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <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 the operating effectiveness of IT dependent manual controls, performed data analytics and trend analysis, test of reconciliations between billing systems and other IT systems, prepaid applications and the general ledger. We also performed procedures to test the computation of deferred revenue.</li> <li>• We read and assessed the revenue related accounting policy, critical estimates and assumptions and disclosures in the standalone financial statements.</li> </ul>
<b>Assessment of claims related to regulatory, taxation and legal matters (as described in note 3, 42(vi) and 44 of the Standalone financial statements)</b>	
<p>At March 31, 2023 the value of regulatory, tax and legal disputes disclosed as contingent liabilities was ₹ 213,232 million.</p> <p>Pursuant to the Hon'ble Supreme Court judgement, the Company has recorded and carrying liability of ₹ 655,462 million related to AGR matter and ₹ 56,449 million related to one time spectrum charges (OTSC) for more than 6.2 MHz spectrum.</p> <p>Taxation, regulatory and litigation exposures have been identified as a key audit matter due to changing regulatory environment and significant judgement required by management in assessing the exposure of each case.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <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 evidence 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 computations in accordance with licence agreement and Hon'ble Supreme Court judgement for the provisions recorded in the books.</li> <li>• Assessed the relevant accounting policies and disclosures in the standalone financial statements for compliance with the requirements of accounting standards.</li> </ul>
<b>Borrowings, interest and debt covenant testing (as described in note 22 and 26 of the Standalone financial statements)</b>	
<p>At March 31, 2023, current and non-current borrowings including interest accrued and AGR liability, excluding intercompany borrowings was ₹ 2,092,614 million and bank guarantee was ₹ 61,265 million.</p> <p>Annual covenant testing as at March 31, 2023 resulted in certain ratios breaching the specified covenant threshold for loans aggregating ₹ 68,160 million. Accordingly, the Company has classified ₹ 39,271 million from non-current borrowings to current maturities of long-term debt.</p> <p>Borrowings has been identified as a key audit matter due to debt covenant breach, change in credit ratings of the loans and various correspondences received from banks and financial institutions for additional security / increase in interest/commission rate resulting in recognition, presentation and measurement complexities.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <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 and waiver from the bank, if any.</li> <li>• We obtained independent confirmation from the bank with respect to borrowings and non-fund based facilities [including bank guarantees/letter of credit] outstanding as at March 31, 2023 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/commission rate used by the Company for computation of interest cost with the loan/bank guarantee agreements and various correspondences received by the Company from respective banks and corresponding increase in rates due to non-remediation of debt covenant and downgrade in credit rating.</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 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 and Sustainability Report but does not include the standalone financial statements and our auditor's report thereon. The Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility and Sustainability Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## Responsibilities of Management for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2023 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Statement of Other

Comprehensive Income, the Standalone Statement of Cashflows and the Standalone 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these standalone 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, 2023 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 financial statements – Refer Note 44 to the standalone 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, 2023;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023;
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds



- have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Nilangshu Katriar**

Partner

Membership Number: 058814

UDIN: 23058814BGYZOP6453

Place: Mumbai

Date: May 25, 2023

## Annexure 1 to the Independent Auditor's Report

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

### Re: Vodafone Idea Limited ('the Company')

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

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(i) (a) (A) The Company has maintained proper records showing full particulars, including situation and quantitative information of Property, Plant and Equipment except for network assets being relocated as part of network integration activity, which are pending update in the records maintained by the Company.</p> <p>(B) The Company has maintained proper records showing full particulars of intangibles assets as reflected in the books.</p> <p>(b) The Company has a programme of physical verification of Property, Plant and Equipment 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 a programme, verification of Property, Plant and Equipment which are within its active network systems database through the centralized control centers and other records, commenced during the previous year and is in progress as of reporting date. Hence, we are unable to comment on the discrepancies, if any, that may arise upon such verification.</p> <p>(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.</p> <p>(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.</p> | <p>(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.</p> <p>(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed upon such verification. In our opinion the coverage and the procedure of such verification by the management is appropriate.</p> <p>(b) The Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks, if required are in agreement with the audited / unaudited books of accounts of the Company, as required.</p> <p>(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a), (c), (d), (e) and (f) of the Order is not applicable to the Company.</p> <p>(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.</p> <p>(iv) 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 accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.</p> <p>(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it, have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, as at the March 31, 2023, for a period of more than six months from the date they became payable.

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

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
Income Tax Act,1961	Income Tax	Assessing Officer	2001-2002, 2003-2004, 2006-2012, 2014-2016	807
Income Tax Act,1961	Income Tax	Assistant Commissioner of Income Tax	2012-2013, 2015-2016, 2017-2018	18,248
Income Tax Act,1961	Income Tax	Assistant Commissioner of Income Tax (Appeals)	2013-2014	130
Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	2000-2001, 2003-2019, 2021-2022	56,486
Income Tax Act,1961	Income Tax	Deputy Commissioner of Income Tax	2001-2002, 2003-2004, 2005-2006, 2008-2009, 2015-2017	20,100
Income Tax Act,1961	Income Tax	Deputy Commissioner of Income Tax (Appeals)	2019-2020	42
Income Tax Act,1961	Income Tax	High court of Andhra Pradesh	2009-2016	271
Income Tax Act,1961	Income Tax	High Court of Bihar	2008-2010	28
Income Tax Act,1961	Income Tax	High Court of Bombay	2006-2009	102
Income Tax Act,1961	Income Tax	High Court of Delhi	2004-2005, 2010-2011	17
Income Tax Act,1961	Income Tax	High Court of Gujarat	2002-2004, 2007-2009, 2010-2012	773
Income Tax Act,1961	Income Tax	High Court of Haryana	2008-2009	1,947
Income Tax Act,1961	Income Tax	High Court of Hyderabad	2003-2009, 2013-2015	241
Income Tax Act,1961	Income Tax	High Court of Karnataka	2007-2015	3,871
Income Tax Act,1961	Income Tax	High Court of Kolkata	2003-2004, 2009-2013	363
Income Tax Act,1961	Income Tax	High Court of Madras	2006-2008, 2011-2014	116
Income Tax Act,1961	Income Tax	High Court of Punjab & Haryana	2009-2011	39
Income Tax Act,1961	Income Tax	High Court of Rajasthan	2010-2013	44
Income Tax Act,1961	Income Tax	Income Tax Appellate Tribunal	2003-2017	121,203
Income Tax Act,1961	Income Tax	Supreme Court of India	2004 -2010	110
<b>Total of Income Tax</b>				<b>224,937</b>

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
The Customs Act, 1962	Custom Duty	Commissioner of Customs	2004-2005, 2017-2018, 2005-2022	208
The Customs Act, 1962	Custom Duty	Commissioner of Customs (Appeals)	2007-2023	587
The Customs Act, 1962	Custom Duty	Customs Excise & Service Tax Appellate Tribunal	2006-2019	7,226
The Customs Act, 1962	Custom Duty	Supreme Court of India	2001-2003, 2006-2007, 2008-2009	205
The Customs Act, 1962	Custom Duty	Assessing Officer	2001-2002, 2005-2006, 2007-2008, 2017-2023	128
The Customs Act, 1962	Custom Duty	High Court of Madras	2008 – 2009	7
The Customs Act, 1962	Custom Duty	Deputy Commissioner of Customs	2012-2023	79
<b>Total of Custom Duty</b>				<b>8,440</b>
Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Service Tax	1999-2000	7
Central Excise Act, 1944	Excise Duty	Customs Excise & Service Tax Appellate Tribunal	2003-2005	8
<b>Total of Excise Duty</b>				<b>15</b>
Central Goods and Services Tax Act, 2017	Goods and Services Tax	Additional Commissioner (Appeals)	2017-2019	1
Central Goods and Services Tax Act, 2017	Goods and Services Tax	Joint Commissioner (Appeals)	2017-2018	556
Central Goods and Services Tax Act, 2017	Goods and Services Tax	Commissioner (Appeals)	2017-2018	46
Central Goods and Services Tax Act, 2017	Goods and Services Tax	State Tax Officer	2019-2020	0*
<b>Total of Goods and Service Tax</b>				<b>603</b>
The Finance Act, 1994	Service Tax	Assistant Commissioner of Service Tax	2010 – 2012	12
The Finance Act, 1994	Service Tax	Commissioner of Central Excise & Service Tax (Appeals)	2004-2005, 2010-2018	197
The Finance Act, 1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal	2003-2018	68,644
The Finance Act, 1994	Service Tax	High Court of Andhra Pradesh	2004-2009	25
The Finance Act, 1994	Service Tax	High Court of Bombay	2004-2013	230
The Finance Act, 1994	Service Tax	High Court of Delhi	2004-2010	88
The Finance Act, 1994	Service Tax	High Court of Gujarat	2006-2008, 2009-2010, 2014-2016	127
The Finance Act, 1994	Service Tax	High Court of Hyderabad	2007-2009	320
The Finance Act, 1994	Service Tax	High Court of Karnataka	2004-2009	101
The Finance Act, 1994	Service Tax	High Court of Kerala	2003-2004	24
The Finance Act, 1994	Service Tax	High Court of Madras	2004-2009	167
The Finance Act, 1994	Service Tax	High Court of Punjab & Haryana	2004-2009	91
The Finance Act, 1994	Service Tax	High Court of Rajasthan	2011-2013	19
The Finance Act, 1994	Service Tax	High Court of Judicature at Allahabad	2005-2008	97

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
The Finance Act, 1994	Service Tax	Supreme Court of India	1995-1996, 2004-2014, 2017-2018	2,129
<b>Total of Service Tax</b>				<b>72,270</b>
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	Appellate Tribunal	2002-2004	2
Delhi Sales Tax Act, 1975	Sales Tax	Additional Commissioner (Appeals)	2003-2004	2
Delhi Sales Tax Act, 1975	Sales Tax	Appellate Tribunal	1998-1999	1
Gujarat Sales Tax Act, 1969	Sales Tax	Appellate Tribunal	1998-2002	9
Haryana General Sales Tax Act, 1973	Sales Tax	Assessing Officer	2002-2003	79
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner	2011-2012, 2017-2018	34
Kerala Sales tax Act, 1963	Sales Tax	Appellate Tribunal	1997-1998	0*
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	Appellate Tribunal	2000-2001	0*
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	Appellate Tribunal	2003-2004	0*
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner	2012-2013	0*
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner (Appeals)	2010-2011	0*
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner of Commercial Taxes	2016-2018	13
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner of Sales Tax (Appeal)	2011-2017	1
The Central Sales Tax Act, 1956	Sales Tax	Appellate Board	2013-2014	0*
The Central Sales Tax Act, 1956	Sales Tax	Appellate Deputy Commissioner	2017-2018	0*
The Central Sales Tax Act, 1956	Sales Tax	Appellate Tribunal	2005-2008, 2010-2011, 2012-2013, 2015-2016	105
The Central Sales Tax Act, 1956	Sales Tax	Assessing Officer	2007-2017	15
The Central Sales Tax Act, 1956	Sales Tax	Commissioner of Commercial Taxes,(Appeal)	2010-2012, 2014-2015	18
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Commercial Taxes	2011-2015	5
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Sales Tax (Appeal)	2015-2018	1
The Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2007-2008, 2012-2016	2
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	High Court of Judicature at Allahabad	2003-2006	2

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2003-2004, 2005-2007	2
The Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner of Commercial Taxes	2015-2016	1
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner (Appeal)	2016-2017	1
Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2013-2014	0*
Gujarat Sales Tax Act, 1969	Sales Tax	Deputy Commissioner of Commercial Taxes	1998-1999	8
Jammu and Kashmir Value Added Tax Act, 2005	Sales Tax	Assessing Officer	2016-2017	199
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	Appellate Tribunal	2005-2008	24
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Appellate Tribunal	2022-2023	4
Delhi Value Added Tax Act, 2004	Value Added Tax	Appellate Tribunal	2010-2011	12
Delhi Value Added Tax Act, 2004	Value Added Tax	Commissioner of Commercial Taxes,(Appeal)	2005-2006, 2009- 2010	9
Gujarat Value Added Tax Act, 2003	Value Added Tax	Appellate Tribunal	2006-2007	9
Jammu and Kashmir Value Added Tax Act, 2005	Value Added Tax	Assessing Officer	2016-2017	1
Kerala Value Added Tax Act, 2003	Value Added Tax	Appellate Tribunal	2006 – 2007	19
Kerala Value Added Tax Act, 2003	Value Added Tax	High Court of Kerala	2011-2017	732
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Additional Commissioner of Sales Tax (Appeal)	2010-2011	5
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Appellate Board	2012-2013	1
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	High Court of Madhya Pradesh	2004-2005	2
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2014-2015	0*
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2015-2017	46
Odisha value added tax Act, 2004	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2012-2014	1
Punjab Value Added Tax Act,2005	Value Added Tax	Assessing Officer	2012-2013	0*
Delhi Value Added Tax, 2004	Value Added Tax	Commissioner of trade and taxes	2008-2009	8
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Additional Commissioner of Commercial Taxes	2012-2013	0*



Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Deputy Commissioner of Sales Tax (Appeal)	2012-2016	3
The Bihar Value Added Tax Act, 2005	Value Added Tax	Appellate Tribunal	2008-2018	151
The Bihar Value Added Tax Act, 2005	Value Added Tax	Deputy Commissioner of Commercial Taxes	2005-2008	2
The Jharkhand Value Added Tax Act, 2005	Value Added Tax	Assessing Officer	2011-2012	0*
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Additional Commissioner of Sales Tax (Appeal)	2009-2010, 2011-2014, 2016-2018	12
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Assessing Officer	2006-2007, 2008-2010, 2011-2012, 2013-2014, 2017-2018	22
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Deputy Commissioner of Commercial Taxes	2008-2009, 2011-2012	6
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2008-2010, 2014-2015	1
West Bengal Value Added Tax, 2003	Value Added Tax	Appellate Board	2010-2012	13
West Bengal Value Added Tax, 2003	Value Added Tax	Appellate Tribunal	2007-2008	5
Kerala Value Added Tax Act, 2003	Value Added Tax	Deputy Commissioner of Commercial Taxes	2007-2008, 2012-2013, 2015-2017	3
The Bihar Value Added Tax Act, 2005	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2016-2017	0*
The Haryana Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2006-2008, 2010-2011	31
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Appellate Tribunal	2008-2009, 2012-2013	163
Delhi Value Added Tax Act, 2004	Value Added Tax	Assessing Officer	2003-2008	27
Delhi Value Added Tax Act, 2004	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2007-2008	1
Karnataka Value Added Tax Act, 2003	Value Added Tax	Additional Commissioner of Commercial Taxes	2012-2013	3
Kerala Value Added Tax Act, 2003	Value Added Tax	Assistant Commissioner of Commercial Taxes (Appeal)	2017-2018	0*
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	Commissioner of Commercial Taxes, (Appeal)	2013-2014	2
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Appellate Tribunal	2010-2011	384
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Assessing Officer	2015-2016	0*
Uttar Pradesh Trade Tax Act, 1948	Value Added Tax	High Court of Allahabad	2007-2008	1

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
Uttar Pradesh Trade Tax Act, 1948	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2005-2007	0*
Uttar Pradesh Trade Tax Act, 1948	Value Added Tax	Trade Tax Tribunal	2007-2008, 2009-2010	1
Kerala Value Added Tax Act, 2003	Value Added Tax	Assistant Commissioner of Commercial Taxes	2008-2009	35
The Bihar Value Added Tax Act, 2005	Value Added Tax	Commissioner of Commercial Taxes,(Appeal)	2022-2023	2
<b>Total of Sales Tax &amp; Value Added Tax</b>				<b>2,243</b>
Assam Entry Tax Act, 2008	Entry Tax	Supreme Court of India	2007-2009	13
Bihar tax on Entry of Goods into Local Areas for Consumption, Use or Sale Therein Act, 1993	Entry Tax	State Tax Tribunal	2011-2014	1
Bihar tax on Entry of Goods into Local Areas for Consumption, Use or Sale Therein Act, 1993	Entry Tax	Joint Commissioner (Appeals)	2009-2010	12
Chhattisgarh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	State Tax Tribunal	2004-2005, 2006-2007, 2010-2011, 2012-2014	48
Chhattisgarh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	High court of Chattisgarh	2003-2004, 2008-2009	7
Chhattisgarh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	Supreme Court of India	2005-2018	31
Jammu and Kashmir Entry Tax on Goods Act, 2000.	Entry Tax	High Court of Jammu and Kashmir	2008-2010	142
Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	Assistant Commissioner (Appeals)	2013-2014	12
Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	Assit Commissioner Commercial tax	1998-2001, 2007-2008	5
Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	Commissioner of Commercial Tax	2016-2017	5
Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	Deputy Commissioner	2017-2018	1
Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	High Court of Madhya Pradesh	2008-2018	215
Orissa Entry Tax Act, 1999.	Entry Tax	Assessing Officer	2009-2010, 2015-2017	12
Orissa Entry Tax Act, 1999.	Entry Tax	High Court of Orissa	2007-2018	159

Name of Statute	Type of Tax	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Mn)
Orissa Entry Tax Act, 1999.	Entry Tax	Joint Commissioner (Appeals)	2014-2016	17
Orissa Entry Tax Act, 1999.	Entry Tax	Joint Commissioner of Commercial Taxes	2012-2014	1
The Goa Tax on Entry of Goods Act, 2000	Entry Tax	Deputy Commissioner	2011-2018	64
The Karnataka Tax On Entry Of Goods Act, 1979	Entry Tax	High Court of Karnataka	2004-2005	18
The West Bengal Tax On Entry Of Goods Into Local Areas Act, 2012.	Entry Tax	Deputy Commissioner	2013-2014	1
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	State Tax Tribunal	2006-2008	5
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	Assistant Commissioner (Appeals)	2004-2008	50
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	Deputy Commissioner, Sales Tax	2008-2012	2
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	High Court of Allahabad	1998-2010	29
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	High Court of Nainital	2000-2004	1
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	Joint Commissioner of Commercial Taxes	2009-2010	0*
Maharashtra Municipal Corporation Act, 1949	Entry Tax	Deputy Commissioner (Appeals)	2013-2015	113
Maharashtra Municipal Corporation Act, 1949	Entry Tax	Assistant Commissioner	2013-2016	2
Maharashtra Municipal Corporation Act, 1949	Entry Tax	Assistant Commissioner (Appeals)	2013-2018	422
Maharashtra Municipal Corporation Act, 1949	Entry Tax	Deputy Commissioner	2013-2014, 2015-2016	22
<b>Total of Entry Tax</b>				<b>1,408</b>
The Madhya Pradesh Vilasita Manoranjan, Amod Evam Vigyapan Kar Adhiniyam, 2011	Entertainment Tax	High Court of Madhya Pradesh	2016-2018	538
<b>Total of Entertainment Tax</b>				<b>538</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 ₹ 72,196 Mn, Service tax is ₹ 2,003 Mn, Sales tax, Value added tax and Goods and Service tax is ₹ 563 Mn, Custom Duty is ₹ 1,011 Mn, Entry tax is ₹ 703 Mn and Entertainment tax is ₹ Nil.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3 (viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On overall examination of the financial statements of the Company, the Company has used funds raised on short term basis (in form of trade payable and other liabilities) aggregating to ₹ 181,062 million for long-term purposes (representing acquisition of property, plant, and equipment and to fund losses of the Company).
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture, or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment of equity shares and private placement of optionally convertible debentures during the year. The funds raised, including the unutilized funds of the previous year, have been used for the purposes for which the funds were raised.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.
- (xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013. Accordingly, requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group has five Core Investment companies as part of the Group.
- (xvii) The Company has incurred cash losses in the current year amounting to ₹ 126,644 million. In the immediately preceding financial year, the Company had incurred cash losses amounting to ₹ 115,911 million.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on clause 3(xviii) of the Order is not applicable to the Company.

(xix) As referred to in 'Material uncertainty related to Going concern' paragraph in our main audit report and as disclosed in Note 4 and 62 to the financial statements which also includes the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty that the Company may not be capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.

We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a

fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 53 to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 53 to the standalone financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Nilangshu Katriar**

Partner

Membership Number: 058814

UDIN: 23058814BGYZOP6453

Place: Mumbai

Date: May 25, 2023

## 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 with reference to standalone financial statements of Vodafone Idea Limited ("the Company") as of March 31, 2023, 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to

standalone financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone financial statements.

#### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to 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 controls 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 With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control 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 with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the

essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Nilangshu Katriar**

Partner

Membership Number: 058814

UDIN: 23058814BGYZOP6453

Place: Mumbai

Date: May 25, 2023

# BALANCE SHEET

as at March 31, 2023

			₹ Mn
Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment (including RoU Assets)	7	555,482	488,570
Capital work-in-progress	7	2,417	2,859
Intangible assets	8	964,329	1,031,625
Intangible assets under development	8	175,761	404
Financial assets			
Non-current investments	9	1,626	2,885
Other non-current financial assets	10	88,942	88,904
Deferred tax assets (net)	55	-	-
Other non-current assets	11	102,491	110,492
<b>Total non-current assets (A)</b>		<b>1,891,048</b>	<b>1,725,739</b>
<b>Current assets</b>			
Inventories	12	4	3
Financial assets			
Trade receivables	13	21,245	23,915
Cash and cash equivalents	14	2,216	14,144
Bank balance other than cash and cash equivalents	15	5,500	19,638
Loans to subsidiaries and joint venture	16	2,791	3,141
Other current financial assets	17	42,259	45,062
Current tax assets		-	6,031
Other current assets	18	107,175	101,641
<b>Total current assets (B)</b>		<b>181,190</b>	<b>213,575</b>
Assets classified as held for sale (AHFS) (C)	19	493	-
<b>Total Assets (A+B+C)</b>		<b>2,072,731</b>	<b>1,939,314</b>

# BALANCE SHEET

as at March 31, 2023

		₹ Mn	
Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	20	486,797	321,188
Other equity	21	(1,225,185)	(935,550)
<b>Total equity (A)</b>		<b>(738,388)</b>	<b>(614,362)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Long term borrowings			
Loans from banks and Others	22(A)	9,351	28,363
Deferred payment obligations	22(B)	1,883,550	1,731,145
Lease liabilities	46	250,556	114,256
Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,054	852
Other non-current financial liabilities	23	66,623	68,461
Long term provisions	24	71	194
Other non-current liabilities	25	621	986
<b>Total non-current liabilities (B)</b>		<b>2,211,826</b>	<b>1,944,257</b>
<b>Current liabilities</b>			
Financial liabilities			
Short term borrowings	26	125,304	151,231
Lease liabilities	46	111,067	113,989
Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		1,114	832
Total outstanding dues of creditors other than micro enterprises and small enterprises		135,998	132,409
Other current financial liabilities	28	150,645	136,573
Other current liabilities	29	75,051	74,194
Short term provisions	30	114	191
<b>Total current liabilities (C)</b>		<b>599,293</b>	<b>609,419</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>2,072,731</b>	<b>1,939,314</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

For and on behalf of the Board of Directors of **Vodafone Idea Limited****Ravinder Takkar**Non-Executive Chairman  
(DIN : 01719511)**Himanshu Kapania**Non-Executive Director  
(DIN : 03387441)**Nilangshu Katriar**Partner  
Membership No.: 58814**Akshaya Moondra**

Chief Executive Officer

**Murthy G.V.A.S.**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

Place: Mumbai

Date : May 25, 2023

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>			
Service revenue		418,788	382,018
Sale of trading goods		53	6
Other operating income	31	330	183
<b>Revenue from operations</b>		<b>419,171</b>	<b>382,207</b>
Other income	32	2,707	975
<b>Total income</b>		<b>421,878</b>	<b>383,182</b>
<b>EXPENSES</b>			
Cost of trading goods		53	6
Employee benefit expenses	33	16,851	15,614
Network expenses and IT outsourcing cost	34	104,071	101,790
License fees and spectrum usage charges	35	39,914	41,864
Roaming and access charges	36	38,991	29,155
Subscriber acquisition and servicing expenditure	37	37,306	20,198
Advertisement, business promotion expenditure and content cost	38	9,401	9,788
Other expenses	39	9,825	9,457
		<b>256,412</b>	<b>227,872</b>
<b>Profit/(Loss) before finance costs, depreciation, amortisation, exceptional items and tax</b>		<b>165,466</b>	<b>155,310</b>
Finance costs	40	233,439	209,734
Depreciation	7	135,933	139,727
Amortisation	8	87,689	88,848
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(291,595)</b>	<b>(282,999)</b>
Exceptional items (net)	41	(1,483)	627
<b>Profit/(Loss) before tax</b>		<b>(293,078)</b>	<b>(282,372)</b>
Tax expense:			
- Current tax	54	-	-
- Deferred tax	54 & 55	-	-
<b>Profit/(Loss) after tax for the year</b>		<b>(293,078)</b>	<b>(282,372)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/(losses) on defined benefit plans	51	95	89
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>95</b>	<b>89</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(292,983)</b>	<b>(282,283)</b>
<b>Earnings/(Loss) per equity share of ₹ 10 each:</b>	56		
Basic (₹)		<b>(8.43)</b>	<b>(9.82)</b>
Diluted (₹)		<b>(8.43)</b>	<b>(9.82)</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

For and on behalf of the Board of Directors of **Vodafone Idea Limited****Ravinder Takkar**Non-Executive Chairman  
(DIN : 01719511)**Himanshu Kapania**Non-Executive Director  
(DIN : 03387441)**Nilangshu Katriar**Partner  
Membership No.: 58814**Akshaya Moondra**

Chief Executive Officer

**Murthy G.V.A.S.**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

Place: Mumbai

Date : May 25, 2023

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

## A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 10 each issued, subscribed and fully paid	Numbers	Amount (₹ Mn)
<b>As at April 1, 2021</b>	<b>28,735,389,240</b>	<b>287,354</b>
Issue of share capital (refer note 42(i))	3,383,458,645	33,834
<b>As at March 31, 2022</b>	<b>32,118,847,885</b>	<b>321,188</b>
Issue of share capital (refer note 3 and 42(ii))	16,560,841,320	165,609
<b>As at March 31, 2023</b>	<b>48,679,689,205</b>	<b>486,797</b>

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

## B. OTHER EQUITY

Particulars	Reserves and surplus											
	Capital reserve (refer note 21(i))	Capital reduction reserve (refer note 21(ii))	Debt redemption reserve (refer note 21(iii))	Securities premium (refer note 21(iv))	Amalgamation adjustment deficit account (refer note 21(v))	General reserve (refer note 21(vi))	Retained earnings (refer note 21(vii))	Employee stock options reserve (refer note 21(viii))	Business Restructuring Reserve (refer note 21(ix))	Equity instrument through other comprehensive income (refer note 21(x))	Convertible Warrants (refer note 21(xi))	Share Warrants (refer note 21(xii))
As at April 1, 2021	(97,462)	277,787	4,408	1,084,698	(488,444)	22,256	(1,481,132)	361	25,409	(12,311)	-	(664,430)
Profit/(Loss) for the year ended March 31, 2022	-	-	-	-	-	-	(282,372)	-	-	-	-	(282,372)
Other comprehensive income/(loss) for the year ended March 31, 2022	-	-	-	-	-	-	89	-	-	-	-	89
Total comprehensive income/(loss)	-	-	-	-	-	-	(282,283)	-	-	-	-	(282,283)
Allotment of equity shares (net of share issue expenses of ₹ 3 Mn) (refer note 42(i))	-	-	-	11,163	-	-	-	-	-	-	-	11,163
Share-based payment expenses (refer note 50)	-	-	-	-	-	-	311	(311)	-	-	-	-
As at March 31, 2022	(97,462)	277,787	4,408	1,095,861	(488,444)	22,256	(1,763,104)	50	25,409	(12,311)	-	(935,550)
Profit/(Loss) for the year ended March 31, 2023	-	-	-	-	-	-	(293,078)	-	-	-	-	(293,078)
Other comprehensive income/(loss) for the year ended March 31, 2023	-	-	-	-	-	-	95	-	-	-	-	95
Total comprehensive income/(loss)	-	-	-	-	-	-	(292,983)	-	-	-	-	(292,983)
Adjustment on account of settlement of financial liability (refer note 3)	-	-	-	-	-	-	3,305	-	-	-	-	3,305
Issue of convertible share warrants (refer note 42(ii))	-	-	-	-	-	-	-	-	-	-	4,362	4,362
Conversion of convertible share warrants into equity shares (net of share issue expenses of ₹ 42 Mn) (refer note 42(iii))	-	-	-	43	-	-	-	-	-	-	(4,362)	(4,319)
Share-based payment expenses (refer note 50)	-	-	-	-	-	-	12	(12)	-	-	-	-
As at March 31, 2023	(97,462)	277,787	4,408	1,095,904	(488,444)	22,256	(2,052,770)	38	25,409	(12,311)	-	(1,225,185)

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of **Vodafone Idea Limited****Ravinder Takkar**Non-Executive Chairman  
(DIN : 01719511)**Himanshu Kapania**Non-Executive Director  
(DIN : 03387441)**Nilangshu Katriar**

Partner

Membership No.: 58814

Place: Mumbai

Date : May 25, 2023

**Akshaya Moondra**

Chief Executive Officer

**Murthy G.V.A.S.**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary



# STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>OPERATING ACTIVITIES</b>		
<b>Loss before tax</b>	(293,078)	(282,372)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Depreciation of property, plant and equipment (including RoU assets)	135,933	139,727
Amortisation of intangible assets	87,689	88,848
Share-based payment expense (ESOS)	2	(16)
(Gain) on disposal of property, plant and equipment and intangible assets (net)	(574)	(649)
Accelerated depreciation on account of network re-alignment / re-farming (refer note 41)	-	137
Provision for impairment towards investment in subsidiary (refer note 41)	1,259	-
Loss / (Gain) on leasehold land (refer note 41)	224	-
Finance costs (including fair value change in financial instruments)	233,439	209,734
Bad debts/advances written off	1,150	1,723
Allowance for doubtful debts / advances	30	(12)
Liabilities/provisions no longer required written back	(137)	(54)
Other income	(2,707)	(975)
<b>Working capital adjustments</b>		
Decrease/(Increase) in trade receivables	1,714	(722)
(Increase) in inventories	(1)	(3)
Decrease/(Increase) in other financial and non-financial assets	10,726	(30,184)
(Decrease) in trade payables	(2,313)	(845)
(Decrease)/Increase in other financial and non-financial liabilities	(3,216)	29,429
<b>Cash flows from operating activities</b>	<b>170,140</b>	<b>153,766</b>
Income tax refund (including TDS) (net)	13,521	14,843
<b>Net cash flows from operating activities</b>	<b>183,661</b>	<b>168,609</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(37,654)	(57,763)
Payment towards Spectrum - Upfront payment	(16,800)	(1,035)
Proceeds from sale of property, plant and equipment and intangible assets	786	1,158
Proceeds towards Business consideration receivables	2,433	2,269
Net sale of current investments	290	180
Loans given to subsidiaries	(21)	(330)
Repayment of loan given to subsidiaries and joint venture	388	2,757
Interest received	918	536
<b>Net cash flows (used in) investing activities</b>	<b>(49,660)</b>	<b>(52,228)</b>

# STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

Particulars	₹ Mn	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Financing activities</b>		
Proceeds from allotment of equity shares under Preferential Issue (net of share issue expenses of ₹ 3 Mn) (refer note 42(i))	-	44,997
Proceeds from issue of convertible share warrants (net of share issue expenses of ₹ 42 Mn) (refer note 42(ii))	4,320	-
Payment of interest and finance charges <sup>(1)</sup>	(20,967)	(28,043)
Payment of lease liabilities (refer note 46)	(78,929)	(69,284)
Proceeds from long term borrowings	16,000	5,000
Repayment of long term borrowings	(59,460)	(80,641)
Proceeds from short term borrowings	22,420	24,192
Repayment of short term borrowings	(29,313)	(860)
<b>Net cash flows (used in) financing activities</b>	<b>(145,929)</b>	<b>(104,639)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	<b>(11,928)</b>	<b>11,742</b>
Cash and cash equivalents at the beginning of the year	14,144	2,402
<b>Cash and cash equivalents at the end of the year (refer note 14)</b>	<b>2,216</b>	<b>14,144</b>

<sup>(1)</sup> Includes interest payment on deferred payment obligations forming part of long term borrowings.

# STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

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

Particulars	Loans from banks and others including current maturities	Deferred payment obligations including current maturities	Changes in derivative liabilities (net)	Interest accrued but not due	Lease liabilities
<b>Balance as at April 1, 2021</b>	<b>231,445</b>	<b>1,572,388</b>	<b>440</b>	<b>63,957</b>	<b>213,871</b>
(i) Cash flow Items					
Net proceed/(repayment) of borrowings	(52,254)	(55)	-	-	-
Payment of Interest and finance charges	-	-	1	(28,044)	-
Payment of lease liabilities (refer note 46)	-	-	-	-	(69,284)
(ii) Non - cash items					
Exchange difference (net)	418	-	-	(418)	-
Finance cost (charged to profit and loss)	-	-	(339)	191,136	18,937
Upfront fees amortisation	(21)	-	-	21	-
Interest on asset retirement obligation	-	-	-	5	-
Interest related to other liabilities	-	-	-	(11,524)	-
Accrued interest on deferred payment obligation for spectrum and others transferred to borrowing on anniversary date	-	145,665	-	(145,665)	-
Addition towards Spectrum acquisition	-	13,153	-	137	-
Addition of lease liabilities (refer note 46)	-	-	-	-	73,831
Deletion of lease liabilities (refer note 46)	-	-	-	-	(9,110)
<b>Balance as at March 31, 2022</b>	<b>179,588</b>	<b>1,731,151</b>	<b>102</b>	<b>69,605</b>	<b>228,245</b>
(i) Cash flow Items					
Net proceed/(repayment) of borrowings	(50,347)	(6)	-	-	-
Payment of Interest and finance charges	-	-	-	(20,967)	-
Payment of lease liabilities (refer note 46)	-	-	-	-	(78,929)
(ii) Non - cash items					
Exchange difference (net)	435	-	-	(435)	-
Finance cost (charged to profit and loss)	-	-	(91)	197,373	36,157
Upfront fees amortisation	(39)	-	-	39	-
Interest on asset retirement obligation	-	-	-	4	-
Interest related to other liabilities	-	-	-	(22,729)	-
Accrued interest on deferred payment obligation towards spectrum and AGR transferred to borrowing on anniversary date	-	147,692	-	(147,692)	-
Addition towards Spectrum acquisition	-	171,063	-	4,876	-
Issue of equity shares (refer note 3)	-	(161,332)	-	-	-
Adjustment on account of settlement of financial liability (refer note 3)	-	-	-	(3,305)	-
Addition of lease liabilities (refer note 46)	-	-	-	-	186,757
Deletion of lease liabilities (refer note 46)	-	-	-	-	(10,607)
<b>Balance as at March 31, 2023</b>	<b>129,637</b>	<b>1,888,568</b>	<b>11</b>	<b>76,769</b>	<b>361,623</b>

2. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

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

**Ravinder Takkar**

Non-Executive Chairman  
(DIN : 01719511)

**Himanshu Kapania**

Non-Executive Director  
(DIN : 03387441)

**Nilangshu Katriar**

Partner  
Membership No.: 58814

**Akshaya Moondra**

Chief Executive Officer

**Murthy G.V.A.S.**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

Place: Mumbai

Date : May 25, 2023

# NOTES

forming part of the Standalone Financial Statements

## 1. CORPORATE INFORMATION

Vodafone Idea Limited ('the Company'), a public limited company, was incorporated under the provisions of the Companies Act applicable in India on March 14, 1995. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (Scrip Code; NSE: IDEA, BSE: 532822). The registered office of the Company is situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar – 382011, Gujarat. The Company is one of the leading telecom service providers in India. The Company is engaged in the business of telecommunication services.

These financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on May 25, 2023.

## 2.(A) STATEMENT OF COMPLIANCE

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

## 2.(B) BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All financial information presented in ₹ has been rounded off to million unless otherwise stated.

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

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

3. The Hon'ble Supreme Court on October 24, 2019 along with supplementary order dated July 20, 2019 and final order dated September 1, 2020 delivered its judgment (together referred to as "AGR Judgment") on the cross appeals against the Hon'ble TDSAT judgment dated April 23, 2015, relating to the definition of Adjusted Gross Revenue. The order upheld the principal demand, levy of interest, penalty and interest on penalty.

Subsequent to the same, on September 1, 2020, vide its judgment, the Hon'ble Supreme Court has inter-alia directed that Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021 and thereafter, Telecom Operators to make payment in Ten instalments commencing from April 1, 2021 to March 31, 2031, payable by 31<sup>st</sup> March of every succeeding financial year.

The Company had on August 10, 2021 filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application on correction of manifest/clerical/arithmetic errors in the computation of AGR demands which is still pending to be heard.

The Union Cabinet on September 15, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. Further to address liquidity requirements, the Cabinet has also approved deferment of AGR dues which are payable in annual instalments as determined by the Hon'ble Supreme Court for up to four years without any change in the instalment period and deferment of spectrum auction instalments payable from October 1, 2021 to September 30, 2025 excluding the instalments due for spectrum auction 2021. It also provided upfront conversion of the interest amount arising due to such deferment into equity. The Company has conveyed its acceptance on January 10, 2022 ("Exercise Date").

Further on March 31, 2022, DoT computed the Net Present value (NPV) of the interest liability on moratorium period amounting to ₹ 161,331 Mn towards AGR dues (as per Hon'ble SC affidavit dated

## NOTES

### forming part of the Standalone Financial Statements

September 01, 2020) and deferred annual Spectrum liabilities as on the Exercise Date, which the Company has confirmed on April 14, 2022. DoT on June 15, 2022 offered a moratorium on pending AGR related dues up to Financial Year 2018-19 along with an option of equity conversion of interest liability pertaining to the moratorium period for this additional amounts. On June 29, 2022, Company conveyed its acceptance for the deferment of AGR related dues till financial year 2018-19. The above mentioned letter has a summary of additional AGR dues amounting to ₹ 88,372 Mn (including amounts for the period till FY 16-17 not forming part of the affidavit submitted to Supreme Court). DoT has mentioned that these are subject to further correction on account of disposal of various representations submitted by the Company, outcome of other pending litigations etc. and the undisputed amounts finally determined by December 31, 2025 shall be paid in six equal instalments post the moratorium period. In September 2022, the Company has also informed DoT on AGR dues (beyond affidavit period till FY 18-19) interest during the moratorium period shall not be converted in to equity.

The DoT, on February 03, 2023, issued an order under section 62(4) of the Companies Act, 2013 ("the Act"), directing the Company to issue equity shares against the loan of ₹ 161,332 Mn representing Net Present Value of the interest as at the Exercise Date as defined in equity conversion guidelines. On February 07, 2023 ("Date of conversion"), the Company's Board has allotted shares to the Government of India (GoI).

Consequent to the above, the Company has derecognised the loan liability of ₹ 161,332 Mn due to the issuance of 16,133,184,899 equity shares at an issue price of ₹ 10 each amounting to ₹ 161,332 Mn, and consequential adjustment of ₹ 3,305 Mn has been adjusted to Other equity.

Subsequent to such conversion, the promoter shareholding of Vodafone group and Aditya Birla group will stand at 50.4% and GoI shareholding at 33.1%.

On April 5, 2023, the Company has filed affidavit with Hon'ble Supreme Court including the compliance letter stating that by acceptance of the deferment option and agreeing to moratorium of AGR dues for four years, it has complied with Court order dated

September 1, 2020. Accordingly, as at March 31, 2023, the net liability towards AGR dues arising out of Hon'ble Supreme Court judgment (till September 2019) amounting to ₹ 655,462 Mn (net of payment of ₹ 78,544 Mn) (including interest till March 31, 2023) is disclosed as deferred payment obligation under long term borrowings in the financial statements.

4. The Company has incurred a loss of ₹ 293,078 Mn for the year ended 31<sup>st</sup> March, 2023. Its net worth stands at negative ₹ 738,388 Mn and the Net Working Capital (excluding short term borrowings, future lease liability and certain accruals toward pending litigations) stands at negative ₹ 154,930 Mn.

As at March 31, 2023, the total external debt (including interest accrued but not due) of the Company stands at ₹ 2,092,614 Mn. As at March 31, 2023, an amount of ₹ 39,271 Mn (March 31, 2022: ₹ 68,131 Mn) has been reclassified from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements. Further, as a result of earlier rating downgrade, certain lenders had asked for increase of interest rates and additional margin money/ security against existing facilities. The Company has exchanged correspondences and continues to be in discussion with the lenders for next steps/waivers. The existing debt as payable by March 31, 2024 is ₹ 83,804 Mn (excluding amount classified as current on account of not meeting certain covenant clauses). As of date, the Company has met all its debt obligations payable to its lenders / banks and financial institutions along with applicable interest. The Company has utilized extended credit period to discharge some of its contractual obligations. Further, certain vendors have asked for payment of their overdue outstanding. The Company continues to be in discussion with them to agree to a payment plan.

The Company's ability to continue as a Going Concern is dependent on raising additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. Pending the outcome of the above matters, these financial statements have been prepared on a Going Concern basis.

# NOTES

forming part of the Standalone Financial Statements

## 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 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 note 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



## NOTES

### forming part of the Standalone Financial Statements

to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Advance from customer and deferred revenue are recognised as revenue when the Company fulfils its performance obligations under the contract.

#### v) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### vi) Dividends

Dividend income is recognised when the Company's right to receive the payment is established.

#### vii) Cost to obtain a contract

The Company pays sales commission to its channel partners for each contract that they obtain and incurs customer verification expenses. Such costs are deferred over the average expected customer life-cycle provided the estimated average customer life-cycle is higher than twelve months. The Company re-estimates the average customer life cycle on a periodic basis.

### b) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Company's lease asset classes primarily consist of leases for passive infrastructure for cell sites and immovable properties.

#### 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

## NOTES

### forming part of the Standalone Financial Statements

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.

### c) Employee benefits

#### i. Defined Contribution Plan

Contributions to Provident and other funds are funded with the appropriate authorities and charged to the Statement of Profit and

Loss when the employees have rendered service entitling them to the contributions.

Contributions to Superannuation are funded with the Life Insurance Corporation of India and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

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

#### ii. Defined Benefit Plan

The Company has a defined benefit gratuity plan which is a funded plan. In case of funded plan, the Company makes contribution to a separately administered fund with the Insurance Companies. The Company maintains a target level of funding to be maintained over a period of time based on estimation of the payments. Any deficit in plan assets managed by Insurance Companies as compared to the liability based on an independent actuarial valuation is recognised as a liability. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

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

- Service costs; and
- Net interest expense or income

## NOTES

forming part of the Standalone Financial Statements

- 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 unit credit method at the reporting date. The related re-measurements are recognised in the Statement of Profit and Loss in the period in which they arise.

- iv. Share-based payments

Equity-settled share-based payments to employees for options granted by the Company to its employees are measured at the fair value of the equity instruments at the grant date.

Stock option of Vodafone Group Plc (VGPLC) granted to the employees of the Company are accounted as cash-settled share based payments by the Company.

The fair value determined at the grant date of the equity settled share-based payments is expensed over the period in which the performance or service conditions are fulfilled, based on the Company's estimate of stock options that will eventually vest, with a corresponding increase in equity. The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative

expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve or liability as applicable.

In respect of cancellation of unvested stock options, the amount already charged as share based payment expense is reversed under the same head in the Statement of Profit and Loss. In respect of cancellation/expiration of vested stock options, the amount already charged as share based payment expense is adjusted against Retained earnings in Other Equity.

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 (₹) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded at the ₹ 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.

## NOTES

forming part of the Standalone Financial Statements

### f) Exceptional items

Items of income or expense which are non-recurring or outside of the ordinary course of business and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company are disclosed as exceptional items in the Statement of Profit and Loss.

### g) Taxes

Income tax expense represents the sum of current tax and deferred tax.

#### i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

#### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognized deferred tax assets are re-

assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation statute.

### h) Current / Non – Current Classification

An asset is classified as current when

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

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

A liability is classified as current when

- a) It is expected to be settled in the normal operating cycle of the company;
- b) It is held primarily for the purposes of trading;
- c) It is expected to be settled within twelve months after the reporting period; or

## NOTES

forming part of the Standalone Financial Statements

- d) The company have no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

### i) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods, or for administrative purposes, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment, non-refundable duties and borrowing cost relating to qualifying assets. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land is not depreciated. Depreciation on all other assets under PPE commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.

Asset Retirement Obligation (ARO) is capitalized when it is probable that an outflow of resources

will be required to settle the obligation and a reliable estimate of the amount can be made. ARO is measured based on present value of expected cost to settle the obligation.

Particulars	Estimated useful life (in years)
Buildings	25 to 30
Leasehold Improvements	Period of lease or 10 years whichever is lower
Plant Machinery	
Network Equipments	7 to 9
Optical Fibre	15
Other Plant and Equipment	2 to 5
Computers and servers	3 to 5
Furniture and Fixtures	5 to 10
Office Equipments	3 to 5
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 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

## NOTES

### forming part of the Standalone Financial Statements

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 entry/license fees 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.
- 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 8 years (refer note 8(3)).

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,



## NOTES

forming part of the Standalone Financial Statements

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

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

For assets excluding goodwill, impairment losses recognized in the earlier periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the Company estimates the asset's (or cash generating unit's) recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### m) Investment in Subsidiaries, Associate and Joint Arrangements

The Company recognises its investment in subsidiaries, joint venture and associate at cost less any impairment losses.

### 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.

### 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

## NOTES

### forming part of the Standalone Financial Statements

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 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.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

#### i. Financial assets

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

#### Subsequent measurement

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

- a) Financial assets measured at amortised cost
- b) Financial assets measured at fair value through profit or loss (FVTPL)

- c) Financial assets measured at fair value through other comprehensive income (FVTOCI)

#### I. Financial assets measured at amortised cost

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

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

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

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

#### II. Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

#### Derecognition

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

## NOTES

### forming part of the Standalone Financial Statements

- 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 FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss and recognised in other (gains)/ losses (net). Interest income from these financial

## NOTES

forming part of the Standalone Financial Statements

assets is included in other income using the effective interest rate method.

### ii. Financial liabilities

#### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

#### a) Financial liabilities at amortised cost

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

#### b) Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

#### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. In case, an existing financial liability is replaced by another from the same lender on substantially different terms, or the

terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in Statement of Profit and Loss.

### 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

# NOTES

## forming part of the Standalone Financial Statements

entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

### iv. Offsetting financial instruments

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

### r) Fair value measurement

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

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

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

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

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

### s) Dividend distribution to equity holders

Dividends paid / payable along with applicable taxes are recognised when it is approved by the shareholders. In case of interim dividend, it is recognised when it is approved by the Board of Directors and distribution is no longer at the discretion of the Company. A corresponding amount is accordingly recognised directly in equity.

### t) Earnings per share

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

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

### u) 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



## NOTES

### forming part of the Standalone Financial Statements

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.

#### iii. Onerous Contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract

reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

### v) 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.

### w) New Amendments adopted during the year

#### i) Amendments to Ind AS

MCA vide notification no. G.S.R. 255(E) dated March 23, 2022 has issued Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends following Ind AS:

- Ind AS 103 Business Combinations
- Ind AS 109 Financial Instruments



## NOTES

forming part of the Standalone Financial Statements

- Ind AS 16 Property, Plant and Equipment
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 106 Exploration for and Evaluation of Mineral Resources

The amendments are applicable for annual periods beginning after April 1, 2022, however, these do not have material impact on the Financial Statements of the Company.

### ii) Amendments to Ind AS issued but not yet effective

MCA vide notification no. G.S.R. 242(E) dated March 31, 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends following Ind AS:

- Ind AS 101 First Time Adoption of Indian Accounting Standards
- Ind AS 102 Shared based Payment
- Ind AS 12 Income Taxes
- Ind AS 107 Financial Instrument Disclosures
- Ind AS 103 Business Combinations
- Ind AS 109 Financial Instruments
- Ind AS 115 Revenue from Contracts with Customers
- Ind AS 1 Presentation of Financial Statements
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 34 Interim Financial Reporting

The amendments are applicable for annual periods beginning after April 1, 2023. The company has evaluated the amendments and the impact is not expected to be material.

### 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. Taxes

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

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

## NOTES

forming part of the Standalone Financial Statements

Minimum alternative tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company 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 Company will be able to absorb such credit during the specified period. Further details about taxes refer note 54 and 55.

### ii. Defined benefit plans (gratuity and compensated absences benefits)

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 51 (A).

### iii. Allowance for Trade receivable

For the purpose of measuring the expected credit loss for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively depending on their significance. Individual trade receivables are written off when management deems them not to be collectible on assessment of facts and circumstances. Refer note 13.

### iv. Useful life of Property, Plant and Equipment and Intangible assets

The useful life to depreciate or amortise property, plant and equipment and Intangible assets respectively 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 or amortisation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation or amortisation of property, plant and equipment and Intangible assets respectively are reviewed by the management at each financial year end and adjusted prospectively over the remaining useful life.

### v. Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is

required to make certain specific estimates such as Company's credit rating.

**vi. Leases-Estimate of lease period**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

**vii. Provisions and Contingent Liabilities**

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Evaluations of uncertain provisions and contingent liabilities and assets requires judgement and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts. Refer note 44 for further details about Contingent liabilities.

## NOTES

forming part of the Standalone Financial Statements

### NOTE 7: PROPERTY, PLANT AND EQUIPMENT (INCLUDING ROU ASSETS)

									₹ Mn
Particulars	Freehold land <sup>^</sup>	Buildings <sup>^</sup>	Leasehold Improvement	Plant and machinery <sup>(3)</sup>	Furniture and fixtures	Office equipments	Vehicles	RoU Assets (refer note 46)	Total
<b>Cost</b>									
<b>As at April 1, 2021</b>	<b>192</b>	<b>1,382</b>	<b>834</b>	<b>872,725</b>	<b>1,379</b>	<b>1,978</b>	<b>1,012</b>	<b>301,119</b>	<b>1,180,621</b>
Additions	-	-	-	40,205	8	70	-	73,801	114,084
Disposals/Adjustments	-	-	(21)	(10,727)	(102)	(169)	(223)	(12,567)	(23,809)
<b>As at March 31, 2022</b>	<b>192</b>	<b>1,382</b>	<b>813</b>	<b>902,203</b>	<b>1,285</b>	<b>1,879</b>	<b>789</b>	<b>362,353</b>	<b>1,270,896</b>
Additions	-	-	1	27,079	49	137	-	186,757	214,023
Disposals/Adjustments	-	(3)	(18)	(8,351)	(30)	(132)	(92)	(13,450)	(22,076)
Assets reclassified as AHFS (refer note 42(vii))	-	-	-	-	-	-	-	(780)	(780)
<b>As at March 31, 2023</b>	<b>192</b>	<b>1,379</b>	<b>796</b>	<b>920,931</b>	<b>1,304</b>	<b>1,884</b>	<b>697</b>	<b>534,880</b>	<b>1,462,063</b>
<b>Accumulated Depreciation</b>									
<b>As at April 1, 2021</b>	<b>-</b>	<b>418</b>	<b>709</b>	<b>517,663</b>	<b>1,233</b>	<b>1,826</b>	<b>866</b>	<b>134,229</b>	<b>656,944</b>
Depreciation charge for the year	-	70	39	75,919	82	132	90	63,395	139,727
Disposals/Adjustments <sup>(2)</sup>	-	-	(20)	(10,118)	(90)	(166)	(202)	(3,749)	(14,345)
<b>As at March 31, 2022</b>	<b>-</b>	<b>488</b>	<b>728</b>	<b>583,464</b>	<b>1,225</b>	<b>1,792</b>	<b>754</b>	<b>193,875</b>	<b>782,326</b>
Depreciation charge for the Year	-	69	34	73,570	26	112	31	62,091	135,933
Disposals/Adjustments <sup>(2)</sup>	-	(1)	(17)	(8,147)	(29)	(131)	(90)	(3,200)	(11,615)
Assets reclassified as AHFS (refer note 42(vii))	-	-	-	-	-	-	-	(63)	(63)
<b>As at March 31, 2023</b>	<b>-</b>	<b>556</b>	<b>745</b>	<b>648,887</b>	<b>1,222</b>	<b>1,773</b>	<b>695</b>	<b>252,703</b>	<b>906,581</b>
<b>Net Book Value</b>									
<b>As at March 31, 2023</b>	<b>192</b>	<b>823</b>	<b>51</b>	<b>272,044</b>	<b>82</b>	<b>111</b>	<b>2</b>	<b>282,177</b>	<b>555,482</b>
<b>As at March 31, 2022</b>	<b>192</b>	<b>894</b>	<b>85</b>	<b>318,739</b>	<b>60</b>	<b>87</b>	<b>35</b>	<b>168,478</b>	<b>488,570</b>

#### Footnotes:

- (1) Refer note 22(C) for assets pledged as securities towards funded and non-funded based facilities.
- (2) Disposals/Adjustments include accelerated depreciation charge of ₹ Nil (March 31, 2022 : ₹ 137 Mn) on account of network re-alignment and integration cost and disclosed under exceptional items (refer note 41).
- (3) Plant & Machinery and CWIP includes certain assets acquired on extended credit terms for which the title will be transferred to the company upon final payment to the equipment suppliers as per the contract terms. Gross Block, Net Block and CWIP of such assets as on March 31, 2023 is ₹ 35,496 Mn, ₹ 22,955 Mn and ₹ 8 Mn respectively. (March 31, 2022 is ₹ 33,708 Mn, ₹ 25,262 Mn and ₹ 27 Mn respectively).

<sup>^</sup> Include' s certain immovable properties acquired as part of past mergers and acquisitions registered in the name of erstwhile companies.

#### The following is ageing schedule of Capital work-in-progress :

The following is ageing schedule of Capital work-in-progress :					₹ Mn
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023					
Projects in progress	2,383	34	-	-	2,417
Total	2,383	34	-	-	2,417
As at March 31, 2022					
Projects in progress	2,814	45	-	-	2,859
Total	2,814	45	-	-	2,859

Note - Project in Progress are reviewed by the management on regular basis and deployed as per business requirement.

# NOTES

forming part of the Standalone Financial Statements

## NOTE 8: INTANGIBLE ASSETS

₹ Mn				
Particulars	Entry / license fees and spectrum	Brand	Computer - Software	Total
<b>Cost</b>				
<b>As at April 1, 2021</b>	<b>1,528,792</b>	<b>25,948</b>	<b>22,485</b>	<b>1,577,225</b>
Additions	20,071	-	1,860	21,931
Disposals/Adjustments	(18,421)	-	(5)	(18,426)
<b>As at March 31, 2022</b>	<b>1,530,442</b>	<b>25,948</b>	<b>24,340</b>	<b>1,580,730</b>
Additions	17,348	-	3,046	20,394
Disposals/Adjustments	-	-	(6)	(6)
<b>As at March 31, 2023</b>	<b>1,547,790</b>	<b>25,948</b>	<b>27,380</b>	<b>1,601,118</b>
<b>Accumulated Amortisation</b>				
<b>As at April 1, 2021</b>	<b>448,214</b>	<b>12,023</b>	<b>18,446</b>	<b>478,683</b>
Amortisation charge for the year	84,377	1,901	2,570	88,848
Disposals/Adjustments	(18,421)	-	(5)	(18,426)
<b>As at March 31, 2022</b>	<b>514,170</b>	<b>13,924</b>	<b>21,011</b>	<b>549,105</b>
Amortisation charge for the year	82,245	2,774	2,670	87,689
Disposals/Adjustments	-	-	(5)	(5)
<b>As at March 31, 2023</b>	<b>596,415</b>	<b>16,698</b>	<b>23,676</b>	<b>636,789</b>
<b>Net Book Value</b>				
<b>As at March 31, 2023</b>	<b>951,375</b>	<b>9,250</b>	<b>3,704</b>	<b>964,329</b>
<b>As at March 31, 2022</b>	<b>1,016,272</b>	<b>12,024</b>	<b>3,329</b>	<b>1,031,625</b>

### Footnotes:

- (1) Refer note 22(C) for assets pledged as securities towards funded and non-funded facilities.
- (2) As at March 31, 2023, Entry / license fee and spectrum gross block ₹ 28,162 Mn and net block ₹ 6,774 Mn range from 0.91 years to 4.4 years and Entry / license fee and spectrum gross block ₹ 1,519,627 Mn and net block ₹ 944,601 Mn range from 7 years to 19.38 years. As at March 31, 2022, Entry / license fee and spectrum gross block ₹ 28,162 Mn and net block ₹ 11,253 Mn range from 1.91 years to 5.4 years and Entry / license fee and spectrum gross block ₹ 1,502,280 Mn and net block ₹ 1,005,019 Mn range from 8 years to 19.5 years.
- (3) During the year, the company has reassessed the estimated useful life of Vodafone brand and accordingly, revised it from 10 years to 8 years and taken an additional amortisation charge of ₹ 866 Mn.

### The following is ageing schedule of Intangible assets under development :

The following is ageing schedule of Intangible assets under development :					₹ Mn
Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023					
Projects in progress <sup>(1)</sup>	175,761	-	-	-	175,761
<b>Total</b>	<b>175,761</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,761</b>
As at March 31, 2022					
Projects in progress	375	29	-	-	404
<b>Total</b>	<b>375</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>404</b>

(1) Includes item referred in 42(iv)

(2) Project in Progress are reviewed by the management on regular basis and deployed as per business requirement.

# NOTES

forming part of the Standalone Financial Statements

## NOTE 9: NON-CURRENT INVESTMENTS (UNQUOTED)

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
<b>(A) Investments in Equity Instruments of Subsidiaries (at cost)</b>		
<b>Subsidiaries</b>		
Vodafone Idea Manpower Services Limited ('VIMSL') 50,000 fully paid equity shares of ₹ 10 each	1	1
Vodafone Idea Telecom Infrastructure Limited ('VITIL') 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') 405,263,153 fully paid equity shares of ₹ 10 each	5,872	5,872
Vodafone Idea Business Services Limited ('VIBSL') 50,000 fully paid equity shares of ₹ 10 each	- *	- *
Vodafone m-pesa Limited ('VMPL') 237,099,380 fully paid equity shares of ₹ 10 each	5,231	5,231
Vodafone Idea Shared Services Limited ('VISSL') 2,000,000 fully paid equity shares of ₹ 10 each	20	20
You Broadband India Limited ('YBIL') 75,004,960 fully paid equity shares of ₹ 10 each	3,402	3,402
Vodafone Idea Technology Solutions Limited ('VITSL') 500,000 fully paid equity shares of ₹ 10 each	5	5
<b>Total investment in subsidiaries (A)</b>	<b>14,549</b>	<b>14,549</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>		
Firefly Networks Limited ('FNL') (FVTOCI) 1,000,000 fully paid equity shares of ₹ 10 each	10	10
<b>Total investment in joint ventures (C)</b>	<b>10</b>	<b>10</b>
<b>(D) Other Investments (FVTPL)</b>		
Equity Instrument	- *	- *
<b>Total Other Investments (D)</b>	<b>- *</b>	<b>- *</b>
<b>Total (A+B+C+D)</b>	<b>17,347</b>	<b>17,347</b>
<b>Less:</b>		
Provision for impairment of Investment (E) <sup>(1) &amp; (2)</sup>	15,721	14,462
<b>Total (A+B+C+D-E)</b>	<b>1,626</b>	<b>2,885</b>

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

<sup>(1)</sup> In the earlier years, the Company has taken a provision for impairment amounting to ₹ 2,788 Mn towards its investment in ABIPBL.

<sup>(2)</sup> During the year, the Company assessed the expected cash flows and the future plans of all its subsidiary Companies and accordingly, recorded provision for impairment of ₹ 1,259 Mn for investment in YBIL. In earlier years, the company had recorded provision for impairment of ₹ 5,231 Mn, ₹ 4,300 Mn and ₹ 2,143 Mn for investment in VMPL, VICSL and YBIL respectively.



# NOTES

forming part of the Standalone Financial Statements

## NOTE 10: OTHER NON-CURRENT FINANCIAL ASSETS

			₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022	
Deposits with body corporate and others (includes amount referred in note 57)			
- Considered Good	6,638	6,892	
- Considered Doubtful	259	258	
Deposits and balances with government authorities	138	114	
Interest receivable	4	4	
Margin money deposits	953	690	
Settlement assets (refer note 42(v))	81,209	81,204	
	<b>89,201</b>	<b>89,162</b>	
Allowance for doubtful advances (refer note 48)	(259)	(258)	
<b>Total</b>	<b>88,942</b>	<b>88,904</b>	

## NOTE 11: OTHER NON-CURRENT ASSETS

			₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022	
Capital advances			
- Considered Good	17	11	
- Considered Doubtful	28	28	
Prepaid expenses	248	307	
Advance income tax (net)	33,263	39,207	
GST recoverable	- *	176	
Costs to obtain a contract with the customer (refer note 45)	8,663	10,593	
Others (consisting mainly deposit against demands which are appealed against/subjudice)			
- Considered Good	60,300	60,198	
- Considered Doubtful	1,395	1,396	
	<b>103,914</b>	<b>111,916</b>	
Allowance for doubtful advances (refer note 48)	(1,423)	(1,424)	
<b>Total</b>	<b>102,491</b>	<b>110,492</b>	

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

## NOTE 12: INVENTORIES

			₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022	
Trading Goods	4	3	
<b>Total</b>	<b>4</b>	<b>3</b>	

## NOTES

forming part of the Standalone Financial Statements

### NOTE 13: TRADE RECEIVABLES (UNSECURED, UNLESS OTHERWISE STATED) (INCLUDING AMOUNT REFERRED IN NOTE 57)

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
Billed Receivable - Considered good	25,100	28,331
Billed Receivable - Credit impaired	1,246	1,227
Allowance for doubtful debts (refer note 48)	(10,218)	(10,412)
	<b>16,128</b>	<b>19,146</b>
Unbilled Receivables - Considered good	5,117	4,769
<b>Total</b>	<b>21,245</b>	<b>23,915</b>

Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 200 Mn (March 31, 2022 : ₹ 241 Mn).

The following is ageing schedule of trade receivables :

Particulars	₹ Mn					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>						
<b>Billed trade receivables</b>						
(i) Undisputed Trade receivables - considered good	13,699	3,056	2,515	1,393	4,156	24,819
(ii) Undisputed Trade Receivables – credit impaired	1	-	1	-	1,244	1,246
(iii) Disputed Trade receivables - considered good	-	-	-	-	281	281
	<b>13,700</b>	<b>3,056</b>	<b>2,516</b>	<b>1,393</b>	<b>5,681</b>	<b>26,346</b>
<b>Less : Allowance for doubtful trade receivables - Billed</b>						(10,218)
						<b>16,128</b>
<b>Trade receivables - Unbilled</b>						5,117
<b>Total</b>						<b>21,245</b>
<b>As at March 31, 2022</b>						
<b>Billed trade receivables</b>						
(i) Undisputed Trade receivables - considered good	16,224	1,794	3,668	3,120	3,243	28,049
(ii) Undisputed Trade Receivables – credit impaired	1	1	-	-	1,225	1,227
(iii) Disputed Trade receivables - considered good	-	-	-	-	282	282
	<b>16,225</b>	<b>1,795</b>	<b>3,668</b>	<b>3,120</b>	<b>4,750</b>	<b>29,558</b>
<b>Less : Allowance for doubtful trade receivables - Billed</b>						(10,412)
						<b>19,146</b>
<b>Trade receivables - Unbilled</b>						4,769
<b>Total</b>						<b>23,915</b>

## NOTES

forming part of the Standalone Financial Statements

### NOTE 14: CASH AND CASH EQUIVALENTS

			₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022	
Balances with banks			
- In current accounts	2,048	14,047	
Cheques on hand	152	65	
Cash on hand	16	32	
<b>Total</b>	<b>2,216</b>	<b>14,144</b>	

### NOTE 15: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

			₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022	
Margin money deposits <sup>(1)</sup>	5,497	19,634	
Fixed deposits with banks having maturity of 3 to 12 months	2	2	
Earmarked bank balance towards dividend	1	2	
<b>Total</b>	<b>5,500</b>	<b>19,638</b>	

<sup>(1)</sup> Includes fixed deposit of ₹ 2,103 Mn (March 31, 2022: ₹ 4,274 Mn) having maturity of 3 to 12 months held with banks as margin money deposit against bank guarantees and letter of credits issued by banks for a period ranging from 1 to 5.5 years (March 31, 2022: 1 to 6 years).

### NOTE 16: LOANS TO SUBSIDIARIES AND JOINT VENTURE (UNSECURED, UNLESS OTHERWISE STATED)

			₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022	
Loans to related parties (refer note 57)			
- Loans to Subsidiaries and Joint Venture <sup>(1)</sup>	6,291	6,658	
	<b>6,291</b>	<b>6,658</b>	
Provision for impairment of loan <sup>(2)</sup>	(3,500)	(3,517)	
<b>Total</b>	<b>2,791</b>	<b>3,141</b>	

<sup>(1)</sup> Loans have been provided for general corporate purpose and repayable on demand. The loans to Subsidiaries is interest free. During the previous year the interest rate for Joint Venture is ranging from 8.75% p.a. to 9.80% p.a. Maximum loan outstanding during the year is ₹ 6,679 Mn (March 31, 2022: ₹ 9,415 Mn).

<sup>(2)</sup> Includes ₹ 2,630 Mn for loan to VIBSL (March 31, 2022: ₹ 2,630 Mn), ₹ 789 Mn for loan to VMPL (March 31, 2022: ₹ 806 Mn), ₹ 76 Mn for loan to VITSL (March 31, 2022: ₹ 76 Mn), ₹ 5 Mn for loan to VF (March 31, 2022: ₹ 5 Mn).

## NOTES

forming part of the Standalone Financial Statements

### NOTE 17: OTHER CURRENT FINANCIAL ASSETS

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
Interest Receivable		
- Considered Good	89	436
- Considered Doubtful	2	2
Deposits with body corporate and others	2	4
Deposits and balances with government authorities	2	23
Derivative assets at fair value through profit or loss (forward contracts and cross currency swaps)	15	-
Business consideration receivable (refer note 57)	41,877	44,310
Other receivables (including amount referred to in note 57)	274	289
	<b>42,261</b>	<b>45,064</b>
Allowance for doubtful advances (refer note 48)	(2)	(2)
<b>Total</b>	<b>42,259</b>	<b>45,062</b>

### NOTE 18: OTHER CURRENT ASSETS

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
GST recoverable		
- Considered Good	85,032	87,849
- Considered Doubtful	623	594
Prepaid expenses	1,254	1,766
Costs to obtain a contract with the customer (refer note 45)	20,404	11,511
Others		
- Considered Good (includes amount referred to in note 51)	485	515
- Considered Doubtful	539	627
	<b>108,337</b>	<b>102,862</b>
Allowance for doubtful advances (refer note 48)	(1,162)	(1,221)
<b>Total</b>	<b>107,175</b>	<b>101,641</b>

### NOTE 19: ASSETS CLASSIFIED AS HELD FOR SALE

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
Leasehold land (refer note 42(vii))	493	-
<b>Total</b>	<b>493</b>	<b>-</b>

# NOTES

forming part of the Standalone Financial Statements

## NOTE 20: EQUITY SHARE CAPITAL

₹ Mn

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	Amount	Numbers	Amount
<b>EQUITY SHARE CAPITAL</b>				
Authorised share capital				
Equity Shares of ₹ 10 each	70,000,000,000	700,000	70,000,000,000	700,000
Preference shares of ₹ 10 each	5,000,000,000	50,000	5,000,000,000	50,000
	<b>75,000,000,000</b>	<b>750,000</b>	<b>75,000,000,000</b>	<b>750,000</b>
<b>Issued, subscribed and paid-up share capital</b>				
Equity Shares of ₹10 each fully paid up	48,679,689,205	486,797	32,118,847,885	321,188
	<b>48,679,689,205</b>	<b>486,797</b>	<b>32,118,847,885</b>	<b>321,188</b>

### (a) Reconciliation of number of shares outstanding

₹ Mn

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	32,118,847,885	321,188	28,735,389,240	287,354
Issue of shares on preferential basis (refer note 42(i))	-	-	3,383,458,645	33,834
Issue of share pursuant to conversion of convertible share warrants (refer note 42(ii))	427,656,421	4,277	-	-
Issue of shares to Government of India (refer note 3)	16,133,184,899	161,332	-	-
Equity shares outstanding at the end of the year	48,679,689,205	486,797	32,118,847,885	321,188

### (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

₹ Mn

Name of the shareholders	As at March 31, 2023		As at March 31, 2022	
	Numbers	% holding in the class	Numbers	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b>				
Department of Investment and Public Asset Management (Government of India)	16,133,184,899	33.14%	-	-
Euro Pacific Securities Limited	5,593,277,865	11.49%	5,165,621,444	16.08%
Grasim Industries Limited	3,317,566,167	6.82%	3,317,566,167	10.33%
Oriana Investments Pte Ltd	2,993,171,886	6.15%	2,993,171,886	9.32%
Prime Metals Limited	2,756,484,727	5.66%	2,756,484,727	8.58%
Mobilvest	1,675,994,466	3.44%	1,675,994,466	5.22%
Vodafone Telecommunications (India) Limited	1,624,511,788	3.34%	1,624,511,788	5.06%

## NOTES

forming part of the Standalone Financial Statements

### (d) Details of promoters holding shares in the Company

₹ Mn

Name of the promoters	As at March 31, 2023			As at March 31, 2022		
	Numbers	% holding in the class	% change during the year	Numbers	% holding in the class	% change during the year
<b>Equity shares of ₹ 10 each fully paid</b>						
Euro Pacific Securities Ltd	5,593,277,865	11.49%	-4.59%	5,165,621,444	16.08%	4.95%
Grasim Industries Limited	3,317,566,167	6.82%	-3.51%	3,317,566,167	10.33%	-1.22%
Oriana Investments PTE LTD	2,993,171,886	6.15%	-3.17%	2,993,171,886	9.32%	1.85%
Prime Metals Ltd	2,756,484,727	5.66%	-2.92%	2,756,484,727	8.58%	0.98%
Mobilvest	1,675,994,466	3.44%	-1.78%	1,675,994,466	5.22%	-0.61%
Vodafone Telecommunications (India) Limited	1,624,511,788	3.34%	-1.72%	1,624,511,788	5.06%	-0.60%
Trans Crystal Ltd	1,461,143,311	3.00%	-1.55%	1,461,143,311	4.55%	-0.54%
Asian Telecommunications Investments (Mauritius) Limited	980,469,868	2.01%	-1.04%	980,469,868	3.05%	-0.36%
Elaine Investments PTE LTD	861,128,643	1.77%	-0.91%	861,128,643	2.68%	-0.32%
Al - Amin Investments Ltd.	812,744,186	1.67%	-0.86%	812,744,186	2.53%	-0.30%
Hindalco Industries Ltd.	751,119,164	1.54%	-0.80%	751,119,164	2.34%	-0.28%
CC II Mauritius INC	446,059,752	0.92%	-0.47%	446,059,752	1.39%	-0.16%
IGH Holdings Private Limited	407,528,454	0.84%	-0.43%	407,528,454	1.27%	-0.15%
Birla TMT Holdings Private Limited	353,798,538	0.73%	-0.37%	353,798,538	1.10%	-0.13%
Omega Telecom Holdings Private Limited	279,017,784	0.57%	-0.30%	279,017,784	0.87%	-0.10%
Pilani Investment And Industries Corporation Limited	109,028,530	0.22%	-0.12%	109,028,530	0.34%	-0.04%
Usha Martin Telematics Limited	91,123,113	0.19%	-0.10%	91,123,113	0.28%	-0.03%
Mr. Kumar Mangalam Birla	864,906	0.00%	0.00%	864,906	0.00%	0.00%
<b>TOTAL</b>	<b>24,515,033,148</b>	<b>50.36%</b>	<b>-24.63%</b>	<b>24,087,376,727</b>	<b>74.99%</b>	<b>2.95%</b>

### (e) Shares reserved for issue under options

Refer note 50 for details of shares reserved for issue under the employee stock option scheme.

### NOTE 21: OTHER EQUITY

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(i) Capital reserve<sup>(1)</sup></b>		
Opening balance	(97,462)	(97,462)
Change during the year	-	-
<b>Closing balance (A)</b>	<b>(97,462)</b>	<b>(97,462)</b>
<b>(ii) Capital reduction reserve<sup>(2)</sup></b>		
Opening balance	277,787	277,787
Change during the year	-	-
<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>



# NOTES

forming part of the Standalone Financial Statements

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
<b>(iv) Securities premium</b>		
Opening balance	1,095,861	1,084,698
Allotment of Equity Share Capital (net of issue expense of ₹ 42 Mn (March 31, 2022 : ₹ 3 Mn)) (refer note 42(i) and 42(ii))	43	11,163
<b>Closing balance (D)</b>	<b>1,095,904</b>	<b>1,095,861</b>
<b>(v) Amalgamation adjustment deficit account<sup>(4)</sup></b>		
Opening balance	(488,444)	(488,444)
Change during the year	-	-
<b>Closing balance (E)</b>	<b>(488,444)</b>	<b>(488,444)</b>
<b>(vi) General Reserve<sup>(5)</sup></b>		
Opening balance	22,256	22,256
Change during the year	-	-
<b>Closing balance (F)</b>	<b>22,256</b>	<b>22,256</b>
<b>(vii) Retained Earnings</b>		
Opening balance	(1,763,104)	(1,481,132)
Net Profit/(Loss) for the year	(293,078)	(282,372)
Other Comprehensive Income/(Loss) recognised directly in retained earnings	95	89
Share-based payment expenses (refer note 50)	12	311
Adjustment on account of settlement of financial liability (refer note 3)	3,305	-
<b>Closing balance (G)</b>	<b>(2,052,770)</b>	<b>(1,763,104)</b>
<b>(viii) Employee stock options reserve</b>		
Opening balance	50	361
Share-based payment expenses (refer note 50)	(12)	(311)
<b>Closing balance (H)</b>	<b>38</b>	<b>50</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	(12,311)	(12,311)
Other Comprehensive Income recognised directly in retained earnings	-	-
<b>Closing balance (J)</b>	<b>(12,311)</b>	<b>(12,311)</b>
<b>(xi) Convertible Share Warrants</b>		
Opening balance	-	-
Issue of convertible share warrants (refer note 42(ii))	4,362	-
Conversion of convertible share warrants into equity shares (refer note 42(ii))	(4,362)	-
<b>Closing balance (K)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C+D+E+F+G+H+I+J+K)</b>	<b>(1,225,185)</b>	<b>(935,550)</b>

## NOTES

### forming part of the Standalone Financial Statements

- (1) Capital reserve comprises of capital receipt, received as compensation from an erstwhile Joint Venture partner for failure to subscribe in the equity shares of erstwhile Vodafone India Limited ("VInL") in earlier years, settlement liability created on merger of erstwhile VInL and erstwhile Vodafone Mobile Services Limited ("VMSL") with the Company and impacts pursuant to merger of Aditya Birla Telecom Limited ("ABTL") with the Company.
- (2) Capital reduction reserve was created by VInL on distribution of VInL's share in Indus Towers Limited to shareholders of VInL in accordance with capital reduction scheme. This reserve is not available for distribution as dividend.
- (3) The Company has incurred losses during the current / previous year. Accordingly, the Company is not required to create any further DRR as per the Act and hence no DRR has been created during the year ended March 31, 2023 and March 31, 2022.
- (4) The Company has accounted for the merger of VInL and VMSL with the Company under 'pooling of interest' method. Consequently, investment of VInL in VMSL, share capital of VInL and VMSL has been cancelled. The difference between the face value of shares issued by the Company and the value of shares and investment so cancelled has been recognized in Amalgamation Adjustment Deficit Account of ₹ (488,408) Mn. Also pursuant to merger of Idea Telesystems Limited ("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. From utilisation perspective, this is an unrestricted reserve.
- (5) Includes ₹ 1,393 Mn is not available for distribution of dividend.

### NOTE 22(A): LOANS FROM BANKS AND OTHERS

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
<b>Term Loans</b>		
- Rupee loan from banks	1,351	13,103
<b>Total Secured loans (A)</b>	<b>1,351</b>	<b>13,103</b>
<b>Unsecured Loans</b>		
<b>Redeemable Non-Convertible Debentures (NCDs)</b>	-	14,954
<b>Optionally Convertible Debentures (OCDs) (refer note 42(iii))</b>	8,000	-
<b>Term Loans</b>		
- Rupee loan from Others	-	306
<b>Total Unsecured Loans (B)</b>	<b>8,000</b>	<b>15,260</b>
<b>Total (A+B)</b>	<b>9,351</b>	<b>28,363</b>

### NOTE 22(B): DEFERRED PAYMENT OBLIGATIONS (UNSECURED)

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Payment obligation towards Spectrum	1,228,085	1,071,602
Deferred Payment obligation pursuant to AGR judgment (refer note 3)	655,462	659,534
Deferred Payment Others	3	9
<b>Total</b>	<b>1,883,550</b>	<b>1,731,145</b>

# NOTES

forming part of the Standalone Financial Statements

## (C) (i) Security clause

₹ Mn

Type of Borrowing	Outstanding Secured Loan Amount		Security Offered
	As at March 31, 2023	As at March 31, 2022	
Rupee Loan	9,950	9,950	First Ranking pari passu charge on movable fixed assets of the company excluding <sup>(1)</sup> : a) Spectrum and Telecom licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive telecom infrastructure
Rupee Loan	52,771	66,271	First Ranking pari passu charge on all the movable assets (including current/non current assets), immovable assets and intangible assets of the Company excluding <sup>(1)</sup> : a) Spectrum and Telecom Licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive Telecom Infrastructure
Rupee Loan	3,182	5,000	First Ranking pari passu charge (to be created) on all the movable assets and current assets of the Company excluding: a) Spectrum and Telecom Licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive Telecom Infrastructure d) Cash margin provided against specific facility (present or future)
Rupee Loan	-	22,500	a) a First Ranking exclusive charge by way of hypothecation over all the Fiber Assets owned by one of the Group company (VITIL), the Current Assets in relation to such Fiber Assets and IRU Agreements entered into between VITIL and counter parties; b) an irrevocable and unconditional guarantee by VITIL by way of a Deed of Corporate Guarantee; c) a First Ranking exclusive mortgage of an Immovable Property situated at Jaipur, by way of deposit of title deeds. d) Extension of Fixed deposits upto ₹10,000 Mn out of cash margin given to SBI
Rupee Loan	14,824	-	a) Extension of exclusive first charge by way of hypothecation over the entire Fiber assets owned by one of the Group Company (VITIL), the Current Assets in relation to such Fiber Assets and IRU Agreements entered into between VITIL and counter parties; b) an irrevocable and unconditional guarantee by VITIL by way of a Deed of Corporate Guarantee c) Extension of exclusive charge by way of mortgage of an Immovable Property situated at Jaipur, by way of deposit of title deeds; d) Extension of exclusive charge on Fixed Deposit of ₹ 2,200 Mn out of cash margin given to SBI.
<b>Sub-Total</b>	<b>80,727</b>	<b>103,721</b>	
Unamortised upfront fees	(104)	(46)	
<b>Total</b>	<b>80,623</b>	<b>103,675</b>	

<sup>(1)</sup> Security offered does not cover properties / assets acquired pursuant to amalgamation of VInL and VMSL with the Company, RoU assets and PPE to which the title will be transferred to the company on final payment. (refer note 7(3)).

## NOTES

### forming part of the Standalone Financial Statements

(C) (ii) The Company has also provided charge against certain assets excluding ROU assets and PPE to which the title will be transferred to the company on final payment (refer note 7(3)) for availing non-fund based facility towards bank guarantees/letter of credit including guarantee to DoT with respect to deferred payment liabilities towards spectrum, one time spectrum charges and various performance/roll out obligations. The details of the same are as below:

Type of funding	Security Amount		Outstanding Facility Amount		Security Offered
	As at	As at	As at	As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Bank Guarantee and Letter of Credit	20,000	20,000	-	16,025	First Ranking 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
	26,250	26,250	4,959	19,908	Second Ranking pari passu charge on movable (including CWIP) and current assets of the Company <sup>(1)</sup>
	90,900	97,500	40,507	78,366	Second Ranking 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	319	319	Second Ranking pari passu charge on movable (including CWIP) assets of the Company <sup>(1)</sup>
	41,500	41,500	9,646	29,658	First Ranking pari passu charge on movable fixed assets of the Company acquired pursuant to amalgamation of VM SL and VInL with the company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn c) spectrum and telecom licenses
	21,500	21,500	1,597	16,147	(i) First Ranking pari passu charge on movable fixed assets of the Company acquired pursuant to amalgamation of VM SL and VInL with the company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn c) spectrum and telecom licenses (ii) Charge on Fixed Deposit of ₹ 722 Mn
	19,350	19,350	-	19,346	a) a first ranking pari passu charge by way of hypothecation over all the Fiber Assets owned by one of the Group company (VITIL), the Current Assets in relation to such Fiber Assets and IRU Agreements entered into between VITIL and counter parties; b) an irrevocable and unconditional guarantee by VITIL by way of a Deed of Corporate Guarantee; and c) a first ranking pari passu mortgage of an Immovable Property situated at Jaipur, by way of deposit of title deeds. d) Charge on fixed deposit of ₹ 1,935 Mn
	5,142	5,142	445	4,839	(i) First Ranking pari passu charge on movable fixed assets of the Company acquired pursuant to amalgamation of VM SL and VInL with the company excluding a) passive telecom infrastructure b) vehicles upto ₹ 2,500 Mn c) spectrum and telecom licenses (ii) Charge on fixed deposit of ₹ 363 Mn
	10,000	10,000	1,341	8,133	Charge on fixed deposit upto ₹10,000 Mn
	<b>237,642</b>	<b>244,242</b>	<b>58,814</b>	<b>192,741</b>	
<b>Total</b>					

Note: Apart from this, the Company also has unsecured bank guarantees and letter of credits of ₹ 2,948 Mn. (March 31, 2022: ₹ 30,031 Mn.)

<sup>(1)</sup> Security offered does not cover properties / assets acquired pursuant to amalgamation of VInL and VM SL with the Company.

# NOTES

forming part of the Standalone Financial Statements

## (D) Repayment terms of loans from banks and others as on March 31, 2023

₹ Mn

Type of Borrowing	Current maturities of loans from banks and others	Loans from banks and others excluding current maturities	Short term Loans from banks and others excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>					
a) Rupee Loan <sup>(1)</sup>	31,875	-	-	31,875	a) Repayable in 5 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2023 b) Repayable in 8 equal quarterly installments of 5% each of the total drawn amount starting September, 2024 c) Repayable in 2 equal quarterly installments of 2.5% each of the total drawn amount starting September, 2026
b) Rupee Loan	9,950	-	-	9,950	Repayable in February, 2024
c) Rupee Loan <sup>(1)</sup>	19,500	-	-	19,500	Repayable in 13 equal quarterly installments starting June, 2023
d) Rupee Loan <sup>(1)</sup>	1,396	-	-	1,396	Repayable in June, 2026
e) Rupee Loan <sup>(2)</sup>	-	-	14,824	14,824	Repayable in an installment of ₹ 2,500 Mn in May, 2023 and balance repayable in August, 2023
f) Rupee Loan	1,818	1,364	-	3,182	Repayable in 7 equal quarterly installments starting from June, 2023
<b>Sub-Total</b>	<b>64,539</b>	<b>1,364</b>	<b>14,824</b>	<b>80,727</b>	
Unamortised upfront fees	(16)	(13)	(76)	(105)	
<b>Sub-Total (A)</b>	<b>64,523</b>	<b>1,351</b>	<b>14,748</b>	<b>80,622</b>	
<b>(ii) Unsecured Loans</b>					
a) Foreign currency Loan <sup>(1)</sup>	389	-	-	389	Repayable in April, 2023
b) Rupee Term Loan <sup>(1)</sup>	10,000	-	-	10,000	Repayable in June, 2023
c) Rupee Term Loan <sup>(1)</sup>	5,000	-	-	5,000	Repayable in 2 equal quarterly installments starting April, 2023
d) Rupee Term Loan	306	-	-	306	Repayable in 2 half yearly installments starting from June, 2023
e) 10.90% Redeemable Non Convertible Debentures	15,000	-	-	15,000	Repayable in September, 2023
f) 11.20% optionally Convertible Debentures	8,000	8,000	-	16,000	Refer note 42(iii)
<b>Sub-Total</b>	<b>38,695</b>	<b>8,000</b>	<b>-</b>	<b>46,695</b>	
Unamortised upfront fees	(25)	-	-	(25)	
<b>Sub-Total (B)</b>	<b>38,670</b>	<b>8,000</b>	<b>-</b>	<b>46,670</b>	
<b>Grand Total (A+B)</b>	<b>103,193</b>	<b>9,351</b>	<b>14,748</b>	<b>127,292</b>	

## NOTES

forming part of the Standalone Financial Statements

### (D) Repayment terms of loans from banks and others as on March 31, 2022

₹ Mn

Type of Borrowing	Current maturities of loans from banks and others	Loans from banks and others excluding current maturities	Short term Loans from banks and others excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>					
a) Rupee Loan <sup>(1)</sup>	39,375	-	-	39,375	a) Repayable in 9 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2022 b) Repayable in 8 equal quarterly installments of 5% each of the total drawn amount starting September, 2024 c) Repayable in 2 equal quarterly installments of 2.5% each of the total drawn amount starting September, 2026
b) Rupee Loan	-	9,950	-	9,950	Repayable in February, 2024
c) Rupee Loan <sup>(1)</sup>	25,500	-	-	25,500	Repayable in 17 equal quarterly installments starting June, 2022
d) Rupee Loan <sup>(1)</sup>	1,396	-	-	1,396	Repayable in June, 2026
e) Rupee Loan <sup>(2)</sup>	-	-	22,500	22,500	Repayable in June 2022
f) Rupee Loan	1,818	3,182	-	5,000	Repayable in 11 quarterly equal installments starting from June 2022
<b>Sub-Total</b>	<b>68,089</b>	<b>13,132</b>	<b>22,500</b>	<b>103,721</b>	
Unamortised upfront fees	(17)	(29)	-	(46)	
<b>Sub-Total (A)</b>	<b>68,072</b>	<b>13,103</b>	<b>22,500</b>	<b>103,675</b>	
<b>(ii) Unsecured Loans</b>					
a) Foreign currency Loan <sup>(1)</sup>	1,078	-	-	1,078	Repayable in 3 equal half yearly installments starting April, 2022
b) Foreign currency Loan <sup>(1)</sup>	3,813	-	-	3,813	Repayable in June 2022
c) Foreign currency Loan <sup>(1)</sup>	3,919	-	-	3,919	Repayable in July 2022
d) Rupee Term Loan <sup>(1)</sup>	40,000	-	-	40,000	Repayable in 4 equal quarterly installments starting September, 2022
e) Rupee Term Loan <sup>(1)</sup>	10,000	-	-	10,000	Repayable in 4 equal quarterly installments starting October 2022
f) Rupee Term Loan	281	306	-	587	Repayable in Half yearly installments starting from March 2022 to December 2023.
g) 10.90% Redeemable Non Convertible Debentures	-	15,000	-	15,000	Repayable in September, 2023
<b>Sub-Total</b>	<b>59,091</b>	<b>15,306</b>	<b>-</b>	<b>74,397</b>	
Unamortised upfront fees	-	(46)	-	(46)	
<b>Sub-Total (B)</b>	<b>59,091</b>	<b>15,260</b>	<b>-</b>	<b>74,351</b>	
<b>Grand Total (A+B)</b>	<b>127,163</b>	<b>28,363</b>	<b>22,500</b>	<b>178,026</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, 2023 was ₹68,160 Mn (March 31, 2022 ₹ 125,080 Mn). Accordingly, as at March 31, 2023 loans amounting to ₹ 39,271 Mn (March 31, 2022 ₹ 68,131 Mn) has been re-classified from non-current borrowings to current maturities of long term debt. As on the reporting date, none of the banks have approached for early repayment.

<sup>(2)</sup> Periodic reports / statements submitted by the Company to the banks as required are in agreement with the audited / unaudited books of accounts of the Company.



## NOTES

forming part of the Standalone Financial Statements

### (E) Repayment terms of deferred payment obligations as on March 31, 2023

₹ Mn

Type of Borrowing	Current maturities of deferred payment obligations	Deferred payment obligations excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Deferred Payment Liability (DPL) towards spectrum acquired in (refer note 3)</b>				
a) November - 2012 auctions	-	12,714	12,714	Repayable in 6 equal annual installments starting December, 2025
b) February - 2014 auctions	-	250,008	250,008	Repayable in 7 equal annual installments starting March, 2026 / September, 2026
c) March - 2015 auctions	-	555,208	555,208	Repayable in 8 equal annual installments starting April, 2026 / Repayable in 7 equal annual installments starting September, 2026
d) October - 2016 auctions	-	228,963	228,963	Repayable in 10 equal annual installments starting October, 2025
e) March - 2021 auctions	529	14,614	15,143	Repayable in 16 equal annual installments starting March, 2024
f) August - 2022 auctions (refer note 42(iv))	4,483	166,578	171,061	Repayable in 19 equal annual installments starting from August 2023
<b>Sub-Total (A)</b>	<b>5,012</b>	<b>1,228,085</b>	<b>1,233,097</b>	
<b>(ii) Deferred Payment obligation pursuant to AGR judgment (refer note 3) (B)</b>	<b>-</b>	<b>655,462</b>	<b>655,462</b>	Repayable in 6 equal annual installments starting March, 2026
<b>(iii) Deferred Payment Others (C)</b>	<b>6</b>	<b>3</b>	<b>9</b>	Repayable in monthly installment starting April, 2023
<b>Grand Total (A+B+C)</b>	<b>5,018</b>	<b>1,883,550</b>	<b>1,888,568</b>	

### (E) Repayment terms of deferred payment obligations as on March 31, 2022

₹ Mn

Type of Borrowing	Current maturities of deferred payment obligations	Deferred payment obligations excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Deferred Payment Liability (DPL) towards spectrum acquired in (refer note 3)</b>				
a) November - 2012 auctions	-	12,997	12,997	Repayable in 6 equal annual installments starting December, 2025
b) February - 2014 auctions	-	254,119	254,119	Repayable in 7 equal annual installments starting March, 2026 / September, 2026
c) March - 2015 auctions	-	561,308	561,308	Repayable in 8 equal annual installments starting April, 2026 / Repayable in 7 equal annual installments starting September, 2026
d) October - 2016 auctions	-	229,065	229,065	Repayable in 10 equal annual installments starting October, 2025
e) March - 2021 auctions	-	14,113	14,113	Repayable in 16 equal annual installments starting March, 2024
<b>Sub-Total (A)</b>	<b>-</b>	<b>1,071,602</b>	<b>1,071,602</b>	
<b>(ii) Deferred Payment obligation pursuant to AGR judgment (refer note 3) (B)</b>	<b>-</b>	<b>659,534</b>	<b>659,534</b>	Repayable in 6 equal annual installments starting March, 2026
<b>(iii) Deferred Payment Others (C)</b>	<b>6</b>	<b>9</b>	<b>15</b>	Repayable in monthly installment starting April, 2022
<b>Grand Total (A+B+C)</b>	<b>6</b>	<b>1,731,145</b>	<b>1,731,151</b>	

**(F)** Interest rate for Rupee Term Loan ranges from 8.81% to 12.15% (March 31, 2022: from 8.53% to 11.90%). Foreign currency loan for 6.07% (March 31, 2022: from 1.65% to 1.69%) and Deferred Payment obligations from 7.2% to 10% (March 31, 2022: from 7.3% to 10%).

# NOTES

forming part of the Standalone Financial Statements

## NOTE 23: OTHER NON-CURRENT FINANCIAL LIABILITIES

			₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022	
Security deposits	-	45	
Payable for capital expenditure (includes amount referred in note 7(3))	344	1,459	
Interest accrued but not due on deferred payment obligations	66,279	66,957	
<b>Total</b>	<b>66,623</b>	<b>68,461</b>	

## NOTE 24: LONG TERM PROVISIONS

			₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022	
Gratuity (refer note 51)	-	71	
Compensated absences	26	55	
Asset retirement obligation (refer note 49)	45	68	
<b>Total</b>	<b>71</b>	<b>194</b>	

## NOTE 25: OTHER NON-CURRENT LIABILITIES

			₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022	
Deferred revenue	621	986	
<b>Total</b>	<b>621</b>	<b>986</b>	

## NOTE 26: SHORT TERM BORROWINGS

			₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022	
<b>Secured Loans</b>			
Short term loans from banks (refer notes 22(C) and 22(D))	14,748	22,500	
Current maturities of loans from banks and others (refer notes 22(C) and 22(D))	64,523	68,072	
<b>Unsecured Loans</b>			
Current maturities of loans from banks and others (refer notes 22(D))	38,670	59,091	
Current maturities of Deferred Payment obligations (refer note 22(E))	5,018	6	
Short term loan from Subsidiary Companies (refer note 57) <sup>(1)</sup>	2,345	1,562	
<b>Total</b>	<b>125,304</b>	<b>151,231</b>	

<sup>(1)</sup> Unsecured short term loan from subsidiary companies is repayable on demand on which variable interest rate is 6.98% p.a. (March 31, 2022 : 4.01% p.a.).

## NOTES

forming part of the Standalone Financial Statements

### NOTE 27

#### (A) THE FOLLOWING IS AGEING SCHEDULE OF TRADE PAYABLES :

₹ Mn

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023						
(i) Micro enterprises and small enterprises	547	539	5	5	18	1,114
(ii) Others	10,929	44,225	5,816	8,760	10,404	80,134
	11,476	44,764	5,821	8,765	10,422	81,248
Accrued expenses						56,918
Total						138,166
Non Current						1,054
Current						137,112
As at March 31, 2022						
(i) Micro enterprises and small enterprises	457	356	11	6	2	832
(ii) Others	17,016	35,004	9,470	6,456	2,799	70,745
	17,473	35,360	9,481	6,462	2,801	71,577
Accrued expenses						62,516
Total						134,093
Non Current						852
Current						133,241

#### (B) INFORMATION AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	873	728
(ii) The interest due on above	16	8
<b>The total of (i) &amp; (ii)</b>	<b>889</b>	<b>736</b>
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	8,023	5,268
d) The amounts of interest accrued and remaining unpaid at the end of financial year	241	104
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.	121	54

## NOTES

forming part of the Standalone Financial Statements

### NOTE 28: OTHER CURRENT FINANCIAL LIABILITIES

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
Payable for capital expenditure (includes amount referred in note 7(3))	63,626	64,170
Accrual towards One Time Spectrum Charges (OTSC) (refer note 42(vi))	56,449	49,572
Interest accrued but not due on borrowings	10,490	2,648
Unpaid dividend	1	2
Derivative liabilities at fair value through profit or loss (forward contracts)	26	102
Security deposits from customers and others	2,783	2,814
Settlement liabilities (refer note 42(v))	17,270	17,265
<b>Total</b>	<b>150,645</b>	<b>136,573</b>

### NOTE 29: OTHER CURRENT LIABILITIES

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
Deferred revenue and advance from customers <sup>(1)</sup>	26,273	27,613
Taxes, regulatory and statutory liabilities	48,778	46,581
<b>Total</b>	<b>75,051</b>	<b>74,194</b>

<sup>(1)</sup> Revenue recognised during the year from deferred revenue and advance from customers (contract liability) at the beginning of the year is ₹ 27,613 Mn (March 31, 2022: ₹ 24,334 Mn).

### NOTE 30: SHORT TERM PROVISIONS

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity (refer note 51)	-	41
Compensated absences	23	49
Asset retirement obligation (refer note 49)	91	101
<b>Total</b>	<b>114</b>	<b>191</b>

### NOTE 31: OTHER OPERATING INCOME

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Liabilities no longer required written back	137	54
Miscellaneous receipts	193	129
<b>Total</b>	<b>330</b>	<b>183</b>

# NOTES

forming part of the Standalone Financial Statements

## NOTE 32: OTHER INCOME

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income (including amounts referred in note 57)	2,417	795
Gain on Mutual Funds (including fair value gain/(loss))	290	180
<b>Total</b>	<b>2,707</b>	<b>975</b>

## NOTE 33: EMPLOYEE BENEFIT EXPENSES

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	14,937	13,947
Contribution to provident, gratuity and other funds (refer note 51)	984	953
Share based payment expenses (ESOS) (refer note 50) <sup>(1)</sup>	2	(16)
Staff welfare	839	706
Recruitment and training	89	24
<b>Total</b>	<b>16,851</b>	<b>15,614</b>

<sup>(1)</sup> Includes charge/(credit) on account of cash settled ESOP of ₹ 2 Mn (March 31, 2022: ₹ 6 Mn).

## NOTE 34: NETWORK EXPENSES AND IT OUTSOURCING COST

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Security service charges	633	269
Power and fuel	57,644	56,553
Repairs and maintenance - plant and machinery	24,650	24,139
Lease line and connectivity charges (includes amount referred in note 57)	12,072	11,684
Network insurance	660	625
Other network operating expenses	1,298	1,914
IT outsourcing cost	7,114	6,606
<b>Total</b>	<b>104,071</b>	<b>101,790</b>

## NOTE 35: LICENSE FEES AND SPECTRUM USAGE CHARGES

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
License fees	31,040	28,996
Spectrum usage charges	8,874	12,868
<b>Total</b>	<b>39,914</b>	<b>41,864</b>

## NOTE 36: ROAMING AND ACCESS CHARGES

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Roaming charges	3,935	2,286
Access charges	35,056	26,869
<b>Total</b>	<b>38,991</b>	<b>29,155</b>

## NOTES

forming part of the Standalone Financial Statements

### NOTE 37: SUBSCRIBER ACQUISITION AND SERVICING EXPENDITURE

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of sim and recharge vouchers	3,558	1,053
Commission to dealers and others (refer note 45)	28,955	13,962
Customer verification expenses (refer note 45)	644	294
Collection, telecalling and servicing expenses	3,266	3,889
Customer retention and customer loyalty expenses	883	1,000
<b>Total</b>	<b>37,306</b>	<b>20,198</b>

### NOTE 38: ADVERTISEMENT, BUSINESS PROMOTION EXPENDITURE AND CONTENT COST

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement & Business promotion expenditure	2,829	3,557
Content cost	6,572	6,231
<b>Total</b>	<b>9,401</b>	<b>9,788</b>

### NOTE 39: OTHER EXPENSES

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Repairs and maintenance		
Building	149	93
Others	2,657	2,582
Other insurance	1	3
Rates and taxes	91	126
Electricity	238	321
Printing and stationery	43	43
Communication expenses	50	85
Travelling and conveyance	846	371
Bad debts / advances written off	1,150	1,723
Allowances for doubtful debts and advances (refer note 48)	30	(12)
Loss/(Gain) on disposal of property, plant and equipment (net)	(574)	(649)
Directors Sitting Fees (refer note 57)	9	10
Legal and professional charges	596	543
Audit fees (refer note 52)	76	73
Support service charges (refer note 57)	3,121	2,746
Miscellaneous expenses	1,342	1,399
<b>Total</b>	<b>9,825</b>	<b>9,457</b>



# NOTES

forming part of the Standalone Financial Statements

## NOTE 40: FINANCE COSTS

			₹ Mn
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
Interest			
- On fixed period loan (Net of ₹ 679 Mn. capitalised, Previous year ₹ Nil Mn) <sup>(1)</sup>	15,238	20,685	
- On deferred payment obligation towards spectrum (Net of ₹ 4,196 Mn capitalised, Previous year ₹ Nil Mn) <sup>(1)</sup>	104,251	101,665	
- On deferred payment obligation pursuant to AGR judgement (refer note 3)	49,576	49,931	
- On lease liabilities (refer note 46)	36,157	18,937	
- On One Time Spectrum Charges (refer note 42(vi))	6,877	5,674	
- Others	15,844	5,857	
Other finance charges	2,076	5,588	
<b>Total interest expense</b>	<b>230,019</b>	<b>208,337</b>	
Exchange difference (net)	3,511	1,736	
Loss / (gain) on derivatives (including fair value changes on derivatives)	(91)	(339)	
<b>Total</b>	<b>233,439</b>	<b>209,734</b>	

<sup>(1)</sup> The capitalisation rate used to determine amount of borrowing cost to be capitalised is 7.2% to 11.95%.

## NOTE 41: EXCEPTIONAL ITEMS (NET)

			₹ Mn
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
Integration and merger related costs	-	764	
Accelerated depreciation on network re-alignment / re-farming	-	(137)	
Provision for impairment towards investment in subsidiary	(1,259)	-	
(Loss) / Gain on remeasurement of leasehold land (refer note 42(vii))	(224)	-	
<b>Total</b>	<b>(1,483)</b>	<b>627</b>	

<sup>(1)</sup> Amounts given in above Exceptional items (net) represents Exceptional gain/(loss).

## NOTE 42: SIGNIFICANT TRANSACTIONS / NEW DEVELOPMENTS

- During the previous year, after the requisite Board and shareholders' approval, the Company, had allotted 3,383,458,645 Equity Shares of face value of ₹ 10 each to entities forming part of promoter / promoter group on preferential basis at a price of ₹ 13.30 per Equity Share, including a premium of ₹ 3.30/- per Equity Share, aggregating ₹ 45,000 Mn.
- The Board of Directors of the Company at its meeting held on July 22, 2022 had approved issuance of 427,656,421 warrants each convertible into one fully paid-up equity share of face value of ₹ 10/- for cash at a price of ₹ 10.20/- to an entity forming part of the promoter group, aggregating upto ₹ 4,362 Mn, which were allotted on July 25, 2022. Pursuant to the exercise of the right of conversion attached to the warrants, the Board of Directors of the Company at its meeting held on February 14, 2023 approved conversion of these warrants into equity shares and consequently allotted 427,656,421 equity shares to the promoter group entity.
- The Board of Directors of the Company at its meeting held on January 31, 2023 has re-approved issuance of upto 16,000 optionally convertible, unsecured, unrated and unlisted Indian Rupee denominated debentures (OCDs) having a face value of ₹ 1,000,000 each, in one or more tranches, aggregating upto ₹ 16,000 Mn, each convertible into 100,000 equity shares of face value of ₹ 10/- each at a conversion price of ₹ 10/- to ATC Telecom Infrastructure Private Limited ('ATC'), a non-promoter of the Company, on a preferential basis. The Capital Raising Committee of the Board of Directors of the Company has, at its meeting held on February 27, 2023 and February 28, 2023, allotted a total of 16,000 number of OCDs to ATC which is redeemable in two equal instalments in August 23 and

## NOTES

### forming part of the Standalone Financial Statements

August 24. Further, as per terms of the agreement, holder of OCDs is entitled to convert OCDs into equity shares of the Company at all time and the Company also has right to convert the outstanding OCDs into equity shares after 1 year of the issuance subject to the Company's equity shares price being equal to or higher than the pre agreed share price.

- iv) The DoT conducted auctions for various spectrum bands which got concluded on August 1, 2022. The Company successfully bid for its spectrum requirements at a total cost of ₹ 187,863 Mn as under:
- 3300 MHz band in 17 priority circles
  - 26 GHz band in 16 circles
  - Additional 4G spectrum acquisition in 3 circles i.e. Andhra Pradesh, Karnataka and Punjab

The validity of the above spectrum is for a 20 year period starting from the effective date as mentioned in the Frequency Assignment Letter for respective service areas. As per the payment options available, the Company has chosen the deferred payment option. The Company has capitalised the cost pertaining to additional 4G spectrum amounting to ₹ 17,348 Mn and has recorded cost pertaining to 5G spectrum amounting to ₹ 170,515 Mn and related borrowing cost of ₹ 4,875 Mn as 'Intangible assets under development'.

- v) The Implementation Agreement entered between the parties defines a settlement mechanism between the Company and the promoters of erstwhile Vodafone India Limited ("VInL") for any cash inflow/outflow that could possibly arise to/by the Company towards settlement of certain outstanding disputes pertaining to the period until May 31, 2018. As at March 31, 2023, the Company had recognized settlement assets amounting to ₹ 63,939 Mn. The settlement of such assets recognized was to happen periodically based on cash inflow/ outflow incurred as defined in the Implementation Agreement starting from June 2020 but not beyond June 2025. The Company has classified ₹ 17,270 Mn received mainly on account of income tax refund for the period July 2020 till December 2022 as payable to VInL promoters as per the terms of the Implementation Agreement. The balance receivables of ₹ 81,209 Mn as at March 31, 2023 is subject to further cash inflows / outflows incurred till June, 2025 and hence, classified as non-current financial assets. The Company believes that it will be able to recover this amount in terms of the Implementation Agreement even if the related liabilities are paid beyond June 2025 based on the deferment of AGR dues availed by the Company. The settlement between the Company and VInL promoters for any cash outflow that could possibly arise shall be subject to requisite approvals, if any, which would be evaluated/obtained at the time of settlement, to VInL promoters.

- vi) 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 preferred an appeal against the entire TDSAT judgement and sought stay on the impugned judgement. The matter is pending before the Hon'ble Supreme Court.

The Company, on prudence basis, has recognized a charge for spectrum holding beyond 6.2 MHz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given

## NOTES

### forming part of the Standalone Financial Statements

for OTSC in line with the M&A guidelines at the time of merger. Accordingly, the Company has recognised interest cost of Rs. 6,877 Mn (March 31, 2022: ₹ 5,674 Mn) in Statement of Profit and loss.

- vii) On March 28, 2023, the Company has entered into a term sheet with a prospective buyer for assignment of certain leasehold rights of land. Accordingly, the Company has reclassified such leasehold land from RoU assets to Assets held for sale (AHFS). As the carrying value of the asset is higher than the expected fair value less cost of sell, the Company has adjusted carrying value of AHFS and recognised re-measurement loss of ₹ 224 Mn equivalent to such differences under Exceptional Items. The transaction is subject to conditions precedent mentioned in term sheet and expected to be completed in financial year 2023-2024.

### NOTE 43: 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 ₹ 32,055 Mn (March 31, 2022: ₹ 26,866 Mn).
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 26,788 Mn (March 31, 2022: ₹ 32,557 Mn).

### NOTE 44: CONTINGENT LIABILITIES NOT PROVIDED FOR

#### A) Licensing Disputes:

- i. OTSC (Less than 4.4 MHz) – ₹ 38,570 Mn (March 31, 2022: ₹ 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 Rs. 5,075 Mn. The Company believes the charges levied by DoT are not tenable, considering the merger of licenses is as per the guidelines issued by DoT in 2005 and as such does not get covered under as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014. The Demand is challenged and remains sub-judice at TDSAT.

- ii. Other Licensing Disputes – ₹ 104,033 Mn (March 31, 2022: ₹ 93,911 Mn):

In December 2016, Company had challenged the TRAI recommendation of levying penalty for allegedly denying points of interconnect (Pols) to Reliance Jio, citing Telecom Regulatory Authority of India's (TRAI) move "arbitrary and biased" and one which exceeds the sectorial watchdog's jurisdiction. The Honorable Delhi High Court suggested that DoT could consider objections raised by VIL in its plea along with the TRAI recommendations. During the previous year on September 29, 2021, DoT had issued demand notice for imposition of financial penalty amounting to ₹ 20,000 Mn for violation of the provisions of license agreements and standards of Quality of service of basic telephone service (wireline) and SMTS regulation 2009. The Company has filed petition with Hon'ble TDSAT on October 11, 2021 against the demand raised by DoT. In the recent hearing, interim relief has been granted stating no coercive action shall be taken for realisation of penalty under challenge. The matter is yet to be concluded.

- Additional demands towards AGR dues for which the company has written to DoT requesting corrections of certain computational errors, admissible pass-through not considered based on the principles laid down in the AGR judgement (Refer note no 3)
- Disputes relating to alleged non-compliance of licensing conditions & other disputes with DoT (including those towards CAF Audit and EMF), either filed by or against the Company or pending before Hon'ble Supreme Court / TDSAT.
- Demands on account of alleged violations in license conditions relating to amalgamation of erstwhile Spice Communications Limited currently sub-judice before the Hon'ble TDSAT.

## NOTES

### forming part of the Standalone Financial Statements

- 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 was last listed on October 18, 2022, where Supreme Court directed the Company to file its reply/ counter to DOT's appeal. Accordingly, the implication of the said order is not considered in the financial statement.

### B) Other Matters not acknowledge as debts

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax matters (see note i below)	15,140	14,889
Sales tax and entertainment tax matters (see note ii below)	1,506	2,064
Service tax/Goods and Service Tax (GST) matters (see note iii below)	15,127	16,051
Entry tax and customs matters (see note iv below)	5,369	5,135
Other claims (see note v below)	33,487	28,273
<b>Total</b>	<b>70,629</b>	<b>66,412</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, disputes relating to denial of tax holiday benefit from certain business receipts etc.

The above matters contested by the Company are pending at various appellate authorities against the tax authorities.

#### ii. Sales Tax and Entertainment Tax

- Sales Tax demands mainly relates to the demands raised by the VAT/Sales Tax authorities of few states on SIM cards etc. on which the Company has already paid Service Tax.
- Demand of tax for non-submission of Declaration forms viz. C forms & F forms in stipulated time limit.
- In one state entertainment tax is being demanded on revenue from value added services.

#### iii. Service Tax/ Goods and Service Tax (GST)

Service Tax / GST demands mainly relates to the following matters:

- Denial of Cenvat credit related to Towers and Shelters.
- Disallowance of Cenvat Credit on input services viewed as ineligible credit
- Demand of service tax on SMS termination charges, Demand of service tax on reversal of input credit on various matters

#### iv. Entry Tax and Customs

- Entry Tax disputes pertains to classification / valuation of goods.
- Demand of customs duty/anti-dumping duty on dispute relating to classification issue. The Company has challenged these demands which are pending at various forums.

## NOTES

### forming part of the Standalone Financial Statements

- v. Other claims not acknowledged as debts
- Mainly include consumer forum cases, disputed matters with local Municipal Corporation, Regional Provident Fund Commission and other miscellaneous sub-judiced disputes.
  - Disputes with the Electricity Boards on matters relating classification of Mobility Towers into Industrial v/s commercial.

The future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. Further, based on the Company's evaluation, it believes that it is not probable that the claims will materialise and therefore, no provision has been recognised for the above.

### NOTE 45: MOVEMENT IN COSTS TO OBTAIN OR FULFIL A CONTRACT WITH A CUSTOMER

Particulars	₹ Mn	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening Balance</b>	<b>22,104</b>	<b>8,028</b>
Costs incurred	28,236	20,969
Less: Cost amortized	(21,273)	(6,893)
<b>Closing balance</b>	<b>29,067</b>	<b>22,104</b>
Current	20,404	11,511
Non-current	8,663	10,593

### NOTE 46: LEASES

#### (a) Company as lessee

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, 2021</b>	<b>9,840</b>	<b>132,461</b>	<b>22,531</b>	<b>2,058</b>	<b>166,890</b>
Additions <sup>(1)</sup>	1,710	69,506	2,585	-	73,801
Deletions/Adjustments	(259)	(8,553)	(1)	(5)	(8,818)
Depreciation expenses	(2,736)	(57,292)	(2,381)	(986)	(63,395)
<b>As at March 31, 2022</b>	<b>8,555</b>	<b>136,122</b>	<b>22,734</b>	<b>1,067</b>	<b>168,478</b>
Additions <sup>(1)</sup>	1,729	183,009	2,019	-	186,757
Deletions/Adjustments	(63)	(10,187)	-	-	(10,250)
Assets reclassified as AHFS (refer note 42(vii))	(717)	-	-	-	(717)
Depreciation expenses	(2,945)	(55,900)	(2,528)	(718)	(62,091)
<b>As at March 31, 2023</b>	<b>6,559</b>	<b>253,044</b>	<b>22,225</b>	<b>349</b>	<b>282,177</b>

<sup>(1)</sup> Additions includes addition of new leases, modification to existing lease in form of lease extension.

Set out below are the carrying amounts of lease liabilities (included under lease liabilities) and the movements during the year: ₹ Mn

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
<b>Opening Balance</b>	<b>228,245</b>	<b>213,871</b>
Additions	186,757	73,801
Accretion of interest	36,157	18,937
Payments	(78,929)	(69,284)
Deletion	(10,607)	(9,080)
<b>Closing Balance</b>	<b>361,623</b>	<b>228,245</b>
Current	111,067	113,989
Non-current	250,556	114,256

The maturity analysis of lease liabilities are disclosed in note 60.

## NOTES

forming part of the Standalone Financial Statements

The following are the amounts recognized in statement of profit and loss

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on RoU assets	62,091	63,395
Interest expense on lease liabilities	36,157	18,937
<b>Total amount recognised in profit and loss</b>	<b>98,248</b>	<b>82,332</b>

### NOTE 47: DETAILS OF FOREIGN CURRENCY EXPOSURES

#### A. Hedged by a Derivative Instrument

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	5	111
Equivalent ₹ of Foreign Currency Loan <sup>(1)</sup>	394	8,607
<b>Trade Payables and Other financial liability</b>		
Trade Payables and Other financial liability in USD	136	30
Interest accrued but not due on Foreign Currency Loans in USD	-	-*
Equivalent ₹ of Trade Payables and Other financial liability <sup>(1)</sup>	11,342	2,327

<sup>(1)</sup> Amount in ₹ represents conversion at hedged rate.

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

#### B. Not hedged by a Derivative Instrument or otherwise

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	-	5
Equivalent ₹ of Foreign Currency Loan <sup>(1)</sup>	-	359
<b>Trade Payables and Other financial liability</b>		
In USD	323	511
In EURO <sup>(2)</sup>	169	159
In GBP	12	12
In Other Currency	-*	-*
Equivalent ₹ of Trade Payables and other financial liability in Foreign Currency <sup>(1)</sup>	42,858	53,295
<b>Trade Receivables</b>		
In USD	64	77
In EURO	-*	-*
In GBP	-*	-*
<b>Balances with banks-In current accounts in USD</b>	-*	1
Equivalent ₹ of Trade Receivables and bank balances in Foreign Currency <sup>(1)</sup>	5,262	5,880

<sup>(1)</sup> Amount in ₹ represents conversion at closing rate.

<sup>(2)</sup> An amount of EUR 114 Mn (₹ 10,192 Mn) is outstanding as at March 31, 2023 (March 31, 2022: EUR 51 Mn (₹ 4,278 Mn)) as payable to Vodafone Group Services Limited ("VGSL") towards Group service charges. As per RBI guidelines in respect to payment for import of goods and services, the Company may require approval from Authorised Dealer (Bank) / RBI at the time of making this payment, as the amount is outstanding for more than 3 years as on the signing date of these financial statements. The Company is confident of receiving such approvals at the time of actual remittance of such outstanding dues to VGSL.

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



## NOTES

forming part of the Standalone Financial Statements

### NOTE 48: MOVEMENT OF ALLOWANCES FOR DOUBTFUL DEBTS/ADVANCES

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	13,632	13,644
Charged to Statement of Profit and Loss (net) (refer note 39)	30	(12)
<b>Closing Balance <sup>(1)</sup></b>	<b>13,662</b>	<b>13,632</b>

<sup>(1)</sup> Includes doubtful advance income tax of Rs 629 Mn (March 31, 2022: ₹ 329 Mn).

### NOTE 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	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
Opening balance	169	164
Unwinding of discount	4	5
Utilisation	(37)	-
<b>Closing balance</b>	<b>136</b>	<b>169</b>
Current	91	101
Non-current	45	68

### NOTE 50: SHARE BASED PAYMENTS

#### a) Employee stock option plan - options granted by Vodafone Idea Limited

The Company has granted stock options and restricted stock units (RSU's) under ESOS 2013 to the eligible employees of the Company and its subsidiaries ("Group") from time to time. These options, subject to fulfilment of vesting conditions, would vest in 4 equal annual instalments after one year of the grant and the RSU's will vest after 3 years from the date of grant. The maximum period for exercise of options and RSU's is 5 years from the date of vesting. Each option and RSU when exercised would be converted into one fully paid-up equity share of Rs. 10 each of the Company. The options and options 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, 2023 and March 31, 2022. During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOS 2013. In the current year, ₹ 12 Mn (March 31, 2022: ₹ 311 Mn) is adjusted against Retained earnings in respect of cancellation/expiration of vested stock option.

## NOTES

forming part of the Standalone Financial Statements

As at year ended March 31, 2023 and March 31, 2022 details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
i) Options granted under ESOS 2013				
Options outstanding at the beginning of the year	319,244	113.50	4,178,076	125.58
Options cancelled during the year	-	-	131,607	124.05
Options expired during the year	39,802	117.55	3,727,225	126.67
Options outstanding at the end of the year	279,442	113.50	319,244	113.50
Options exercisable at the end of the year	279,442	113.50	319,244	113.50
Range of exercise price of outstanding options (₹)	110.45 - 150.10		110.45 - 150.10	
Remaining contractual life of outstanding options (months)	19		25	
ii) RSU's granted under ESOS 2013				
RSU's outstanding at the beginning of the year	367,624	10.00	1,039,012	10.00
RSU's cancelled during the year	8,956	10.00	106,231	10.00
Options expired during the year	71,351	10.00	565,157	10.00
RSU's outstanding at the end of the year	287,317	10.00	367,624	10.00
RSU's exercisable at the end of the year	287,317	10.00	367,624	10.00
Range of exercise price of outstanding RSU's (₹)	10.00		10.00	
Remaining contractual life of outstanding RSU's (months)	13		24	

The fair value of each option and RSU is estimated on the date of grant / re-pricing based on the following assumptions:

Particulars	Options ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	(11/02/14)	(29/12/14)	(21/1/16)	(11/2/17)
	Stock Options	Stock Options	Stock Options	Stock Options
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months
Risk free interest rate (%)	8.81 - 8.95	8.04 - 8.06	7.42 - 7.66	6.68 - 7.03
Volatility (%)	34.13-44.81	34.28-42.65	34.24 - 35.33	36.37 - 38.87
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	60.51^	66.27	48.97	46.39

^As on the date of transition from IGAAP to Ind AS on April 1, 2015, first instalment of the grant were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	RSU's ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.91	8.05	7.60	6.94
Volatility (%)	43.95	35.66	34.24	37.21
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	118.70	140.41	107.71	100.40

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

## NOTES

forming part of the Standalone Financial Statements

### 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.

As at the end of the financial year, details and movements of the outstanding options are as follows:

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
	No. of Options	No. of Options
<b>Options granted under GLTI / GLTR</b>		
Options exercisable at the beginning of the year	50,632	271,591
Options exercised during the year	50,632	220,959
Options outstanding at the end of the year	-	50,632
Options exercisable at the end of the year	-	50,632
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	-	3

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Liability at the end of year ended March 31, 2023 is Nil (March 31, 2022: ₹ 6 Mn).

### NOTE 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.

## NOTES

forming part of the Standalone Financial Statements

### Inherent risks

The plan is of a final salary defined benefit in nature which is funded by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The following tables summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for gratuity:

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
<b>Amount recognised in Balance Sheet</b>		
Present value of obligations as at the end of the year	2,537	2,511
Fair value of plan assets as at the end of the year	2,652	2,399
Net Funded Obligation	(115)	112
Net Asset/(Liability) recognised in Balance Sheet	115	(112)
Net Asset/(Liability) recognised in Balance Sheet is bifurcated as		
- Other current assets	115	-
- Long term provision	-	(71)
- Short term provision	-	(41)

Sr. No	Particulars	₹ Mn	
		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1</b>	<b>Reconciliation of Net Defined Benefit Obligation</b>		
	Opening Net Defined Benefit liability/(asset)	112	281
	Expense charged to statement of profit & loss	243	272
	Expense / (Income) charged to OCI	(95)	(89)
	Employer contributions	(388)	(319)
	Benefits Paid	-	(1)
	Liabilities assumed/(settled) <sup>(1)</sup>	13	(32)
	Closing Net Defined Benefit liability/(asset)	<b>(115)</b>	<b>112</b>
<b>2</b>	<b>Reconciliation of Defined Benefit Obligation</b>		
	Opening Defined Benefit Obligation	2,511	2,621
	Current Service cost	244	260
	Interest on Defined Benefit Obligation	161	160
	Actuarial (Gain)/Loss arising from change in financial assumptions	(92)	(57)
	Actuarial (Gain)/Loss arising from change in demographic assumptions	(72)	(18)
	Actuarial (Gain)/Loss arising on account of experience changes	96	34
	Benefits paid	(324)	(457)
	Liabilities assumed/(settled) <sup>(1)</sup>	13	(32)
	Closing Defined Benefit Obligation	<b>2,537</b>	<b>2,511</b>
<b>3</b>	<b>Reconciliation of plan assets</b>		
	Opening fair value of plan assets	2,399	2,340
	Employer contributions	388	319
	Interest on plan assets	162	148
	Re measurements due to		
	Actual return on plan assets less expected interest on plan assets	27	48
	Benefits paid	(324)	(456)
	Closing fair value of plan assets	<b>2,652</b>	<b>2,399</b>

<sup>(1)</sup> On account of inter group transfer.

## NOTES

forming part of the Standalone Financial Statements

Amounts recognised in the Statement of Profit and Loss in respect of this defined benefit plan are as follows:

		₹ Mn	
Sr. No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1</b>	<b>Expenses Recognised in the Statement of Profit &amp; Loss</b>		
	Current Service cost	244	260
	Interest on Net Defined Benefit liability/(asset)	(1)	12
	Expenses recognised in the Statement of Profit & Loss	<b>243</b>	<b>272</b>
<b>2</b>	<b>Amount recorded as Other Comprehensive Income (OCI)</b>		
	Re measurement during the year due to		
	- Changes in financial assumptions	(92)	(57)
	- Changes in demographic assumptions	(72)	(18)
	- Experience adjustments	96	34
	- Return on plan assets (excluding amounts included in net interest expense)	(27)	(48)
	Remeasurement (gain)/loss recognised in OCI	<b>(95)</b>	<b>(89)</b>

The principal assumptions used in determining gratuity obligations are shown below:

		₹ Mn	
Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate		7.40%	6.85%
Future salary increases <sup>(1)</sup>		8.00%	8.00%
Attrition rate	30 years & below - 30%		30 years & below - 30%
	31-40 years - 20%		31-40 years - 20%
	41 years & above - 10%		41 years & above - 8%
Mortality rate during employment	As per Indian Assured Lives Mortality (2012-14) Table		
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.		

<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:

		₹ Mn	
Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022
	Discount Rate	Salary escalation Rate	Discount Rate      Salary escalation Rate
Impact of increase in 50 bps on DBO	(3.09%)	3.20%	(3.65%)      3.72%
Impact of decrease in 50 bps on DBO	3.28%	(3.05%)	3.83%      (3.58%)

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.

## NOTES

### forming part of the Standalone Financial Statements

The following payments are expected contributions to the defined benefit plan in future years: ₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within the next 12 months	168	142

Disaggregation details of plan assets (% allocation): ₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Insurer Managed Funds <sup>(1)</sup>	2,640	2,399
Bank balances	11	-

<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, 2023	For the year ended March 31, 2022
Expected benefits for year 1	388	318
Expected benefits for year 2	261	248
Expected benefits for year 3	245	200
Expected benefits for year 4	243	195
Expected benefits for year 5 and above	2,483	2,680

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.56 years (March 31, 2022: 7.47 years).

#### B. Defined contribution plans:

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss: ₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers' contribution to provident and other fund	700	633
Employers' contribution to superannuation fund	41	48

- C. The Company operates its gratuity superannuation plan through separate trust which is administered and managed by the Trustees. As on March 31, 2023 and As on March 31, 2022, the contribution towards the plans have been invested in Insurer Managed funds and bank balance.

#### NOTE 52: AUDITOR'S REMUNERATION

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory Audit Fees	76	73
Certification and Other services (included in Legal and Professional Charges)	6	6
Out of pocket expenses (included in Misc. Expenses)	4	-*
<b>Total Remuneration</b>	<b>86</b>	<b>79</b>

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



## NOTES

forming part of the Standalone Financial Statements

### NOTE 53: EXPENDITURE FOR CORPORATE SOCIAL RESPONSIBILITY

- a) Gross amount required to be spent by the Company during the year is ₹ Nil (March 31, 2022: ₹ Nil).

During the year ended March 31, 2021, the Company has accrued an amount of ₹ 229 Mn as exceptional items towards short spent of amount on CSR activities in earlier years. The same needs to be spent over a period of 2 years starting April 1, 2021. During the Current year, out of the above, the Company has contributed ₹ 115 Mn (March 31, 2022: ₹ 114 Mn) to Vodafone Foundation (a Company formed for CSR activities). Further, during the previous year, the Company has contributed ₹ 91 Mn to Vodafone Foundation accrued in the earlier years. The details for amount contributed is as below:

		₹ Mn	
Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Healthcare	-	77
2	Education	45	13
3	Agriculture	36	73
4	Impact Assessment	3	-
5	Others	31	42
<b>Total</b>		<b>115</b>	<b>205</b>

### NOTE 54: INCOME TAX EXPENSES

- (a) Major components of tax expense

		₹ Mn	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
<b>Current Tax</b>			
Current Tax on profits for the year	-	-	
<b>Total Current Tax Expense (A)</b>	<b>-</b>	<b>-</b>	
<b>Deferred Tax</b>			
<b>Total Deferred Tax Expense (B)</b>	<b>-</b>	<b>-</b>	
<b>Total Tax Expense (A+B)</b>	<b>-</b>	<b>-</b>	
<b>Income tax effect of equity instruments through OCI and re-measurement gains/(losses) on defined benefit plans taken to OCI</b>	<b>-</b>	<b>-</b>	

- b) Reconciliation of average effective tax rate and applicable tax rate

		₹ Mn	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
Loss before income tax expense	(293,078)	(282,372)	
<b>Applicable Tax Rate</b>	<b>34.94%</b>	<b>34.94%</b>	
Increase/reduction in taxes on account of:			
Effect of unrecognised business loss including reversal of previously recognised DTA on business losses	(29.60)%	(45.38)%	
Effects of expenses/income that are not deductible/considered in determining the taxable profits	(5.94)%	10.44%	
Other Items	0.60%	0.00%	
<b>Effective Tax Rate</b>	<b>0.00%</b>	<b>0.00%</b>	

## NOTES

### forming part of the Standalone Financial Statements

- (c) The Company has not recognized deferred tax assets in respect of carried forward tax losses and unabsorbed depreciation amounting to ₹ 2,388,792 Mn as of March 31, 2023 (March 31, 2022: ₹ 1,950,701 Mn). The aforesaid tax losses and unabsorbed depreciation will lapse in the subsequent years as follows:

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
Within 0-5 years	636,945	-
From 5-10 years	425,053	914,907
Unlimited	1,326,794	1,035,794
<b>Total</b>	<b>2,388,792</b>	<b>1,950,701</b>

The Company has also not recognised deferred tax on MAT credit of ₹ 25,048 Mn, ₹ 7,565 Mn is expiring within 0-5 years, ₹ 17,483 Mn is expiring within 5-10 years and ₹ Nil is expiring beyond 10 years. (During the year ended March 31, 2022, the Company had not recognised deferred tax on MAT credit of ₹ 25,699 Mn, Rs. 2,631 Mn is expiring within 0-5 years, ₹ 9,730 Mn is expiring within 5-10 years and ₹ 13,338 Mn is expiring beyond 10 years).

### NOTE 55: MOVEMENT IN DEFERRED TAX

₹ Mn									
Particulars	As at April 1, 2021	Recognised in			As at March 31, 2022	Recognised in			As at March 31, 2023
		Profit and Loss	OCI	Other Equity		Profit and Loss	OCI	Other Equity	
<b>Liabilities</b>									
Depreciation & Amortisation (including RoU Assets)	187,126	(28,357)	-	-	158,769	57,839	-	-	216,608
Effects of remeasuring financial instruments under Ind AS	2,771	(148)	-	-	2,623	(258)	-	-	2,365
Others	-	2,805	-	-	2,805	4,919	-	-	7,724
<b>Total (A)</b>	<b>189,897</b>	<b>(25,700)</b>	<b>-</b>	<b>-</b>	<b>164,197</b>	<b>62,500</b>	<b>-</b>	<b>-</b>	<b>226,697</b>
<b>Assets</b>									
Tax Losses	105,073	(37,294)	-	-	67,779	13,401	-	-	81,180
Expenses allowable on Payment Basis	2,340	6,640	-	-	8,980	1,432	-	-	10,412
Provisions for doubtful debts/ advances (including lease liability)	82,233	5,122	-	-	87,355	43,963	-	-	131,318
Others	251	(168)	-	-	83	3,704	-	-	3,787
<b>Total (B)</b>	<b>189,897</b>	<b>(25,700)</b>	<b>-</b>	<b>-</b>	<b>164,197</b>	<b>62,500</b>	<b>-</b>	<b>-</b>	<b>226,697</b>
<b>Net Deferred Tax Liabilities/ (assets) (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As per Financials :</b>									
<b>Deferred Tax Asset</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES

forming part of the Standalone Financial Statements

### NOTE 56: BASIC & DILUTED EARNINGS/ (LOSS) PER SHARE

		₹ Mn
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Nominal value of per equity share	10/-	10/-
Profit/(Loss) after tax for the year	(293,078)	(282,372)
Profit/(Loss) attributable to equity shareholders	(293,078)	(282,372)
Weighted average number of equity shares outstanding during the year	34,754,390,090	28,744,658,990
Basic earnings/(loss) per share	(8.43)	(9.82)
Dilutive effect on weighted average number of equity shares outstanding during the year	*	*
Weighted average number of diluted equity shares	34,754,390,090	28,744,658,990
Diluted earnings/(loss) per share	(8.43)	(9.82)

\* 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.

### NOTE 57: RELATED PARTY TRANSACTIONS

The related parties where control, joint control and significant influence exists are subsidiaries, joint venture and associates respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

#### List of subsidiaries

Relationship	Related Party
Subsidiaries	Vodafone Idea Communication Systems Limited
	Vodafone Idea Business Services Limited
	Vodafone Foundation
	Vodafone Idea Shared Services Limited
	Vodafone m-pesa Limited
	Vodafone Idea Technology Solutions Limited
	Vodafone Idea Telecom Infrastructure Limited
	You Broadband India Limited
	Connect (India) Mobile Technologies Private Limited (Merged with VICSL effective from January 31, 2023)*
	Vodafone Idea Manpower Services Limited

#### Apart from the above, the Company has transactions with the below related parties

Relationship	Related Party
Joint Venture (JV)	Firefly Networks Limited
Associate	Aditya Birla Idea Payments Bank Limited
	Mr. Kumar Mangalam Birla*
	Grasim Industries Limited
Promoter / Promoter Group <sup>(1)</sup>	Hindalco Industries Limited
	Euro Pacific Securities Limited
	Prime Metals Limited
	Mobilvest*
	Vodafone Telecommunications (India) Limited*

# NOTES

forming part of the Standalone Financial Statements

Relationship	Related Party
Promoter / Promoter Group <sup>(1)</sup>	Omega Telecom Holdings Private Limited*
	Asian Telecommunications Investments (Mauritius) Limited*
	Al-Amin Investments Limited*
	CCII (Mauritius) Inc.*
	Usha Martin Telematics Private Limited*
	Birla TMT Holdings Private Limited*
	Pilani Investment And Industries Corporation Limited*
	Elaine Investments PTE Limited*
	Oriana Investments PTE Limited
	IGH Holdings Private Limited
Entities having significant influence (includes Subsidiaries / JV / Associates of the entity to which the Company is a JV)	Trans Crystal Limited*
	Cable & Wireless Global (India) Private Limited
	Cable & Wireless Networks India Private Limited
	Cable & Wireless Worldwide Limited
	Cable and Wireless (India) Limited
	Ghana Telecommunications Company Limited ( ceased w.e.f February 20, 2023)
	Infinity Services Partner Company
	Metro Holdings Limited
	National Communications Backbone Company Limited ( ceased w.e.f February 20, 2023)
	Vodacom Congo (RDC) S.A.
	Vodacom Group Limited
	Vodacom Lesotho (Pty) Limited
	Vodacom Moçambique, SA
	Vodacom Tanzania PLC.
	Vodafone Albania Sh.A
	Vodafone Czech Republic A.S.
	Vodafone Enterprise Europe (UK) Limited
	Vodafone Enterprise Global Limited
	Vodafone Enterprise Singapore Pte. Limited
	Vodafone Espana S.A.U.
	Vodafone India Services Private Limited
	Vodafone Global Enterprise Limited
	Vodafone Global Network Limited
	Vodafone Global Services Private Limited
	Vodafone GmbH
	Vodafone Group Services Limited
	Vodafone International Services LLC
	Vodafone Ireland Limited
	Vodafone Italia S.P.A.
	Vodafone Limited
	Vodafone Magyarország (ZRT) ( ceased w.e.f March 31, 2022)
	Vodafone Net İletişim Hizmetleri A.Ş.

# NOTES

forming part of the Standalone Financial Statements

Relationship	Related Party
Entities having significant influence (includes Subsidiaries / JV / Associates of the entity to which the Company is a JV)	Vodafone Portugal Comunicacoes Pessoais, S.A.
	Vodafone Procurement Company S.À R.L
	Vodafone Roaming Services S.À R.L
	Vodafone Romania S.A
	Vodafone Telekomunikasyon A.S
	Vodafone US Inc.
	Vodafone-Panafon Hellenic Telecommunications Company S.A.
	Indus Towers Limited
	Safaricom PLC
	Vodafone (Pty) Limited
	Vodafone Libertel B.V.
	Vodafone Network Pty Limited
	Vodafone Group PLC*
	ABReL SPV 2 Limited
	Aditya Birla Capital Limited
	Aditya Birla Finance Limited
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Money Insurance Advisory Services Limited
	Aditya Birla Money Limited
	Aditya Birla Money Mart Limited (ABMML)
	Aditya Birla PE Advisors Private Limited
	Aditya Birla Renewables Limited
	Aditya Birla Sun Life AMC (Mauritius) Limited
	Aditya Birla Sun Life AMC Limited
	Aditya Birla Sun Life Asset Management Company Limited Dubai
	Aditya Birla Sun Life Insurance Company Limited
	Aditya Birla Sun Life Pension Management Limited
	Aditya Birla Wellness Private Limited
	Binani Cement Uganda Limited
	Goa Glass Fibre Limited ( ceased w.e.f March 31, 2022)
	Harish Cement Limited
	UltraTech Cement Limited
	UltraTech Nathdwara Cement Limited
	Aditya Birla Power Composites Limited
	Bhubaneswari Coal Mining Limited
	Aditya Birla Health Insurance Company Limited
	Aditya Birla Science & Technology Company Private Limited
	A V Metals Inc.
	Aditya Birla Renewables Subsidiary Limited

# NOTES

forming part of the Standalone Financial Statements

Relationship	Related Party
Entities having significant influence (includes Subsidiaries / JV / Associates of the entity to which the Company is a JV)	Hindalco Almex Aerospace Limited
	Aditya Birla New Age Private Limited
	Aditya Birla Science & Technology Limited (ceased w.e.f March 31, 2022)
	Aditya Marketing and Manufacturing Private Limited
	Birla Brothers Private Limited (ceased w.e.f March 31, 2022)
	Birla Institute of Technology and Science (ceased w.e.f March 31, 2022)
	G.D Birla Medical Research & Education Foundation (ceased w.e.f March 31, 2022)
	Mahan Coal Limited
Key Management Personnel (KMP)	Svatantra Microfin Private Limited
	Mr. Sunil Sood (Non-Executive Director)*
	Mr. Diego Massida (Non-Executive Director)*
	Mr. Sushil Agarwal (Appointed as Non-Executive Director on August 04, 2021)*
	Mr. Krishna Kishore Maheshwari (Appointed as Non-Executive Director on March 03, 2022)*
	Mr. Himanshu Kapania (Resigned as Chairman w.e.f August 18, 2022) (Non-Executive Director)*
	Mr. Ravinder Takkar (Non-Executive Chairman) (Resigned as Managing Director & CEO w.e.f August 18, 2022)*
	Mr. Arun Thiagarajan (Ceased to be Independent Director on August 26, 2022)
	Mrs. Neena Gupta (Independent Director)
	Mr. Arun Adhikari (Independent Director)
	Mr. Ashwani Windlass (Independent Director)
	Mr. Krishnan Ramachandran (Independent Director)
	Mr. Suresh Vaswani (Independent Director)
	Mr. Anjani Kumar Agrawal (Appointed as Independent Director on August 27, 2022)
	Mr. Akshaya Moondra (CFO till August 18, 2022 and appointed as CEO on August 19, 2022)
	Mr. G. V. A. S. Murthy (Appointed as CFO on February 15, 2023)
Other Related Parties in which Directors are interested	Aditya Birla Management Corporation Private Limited
	Interglobe Hotels Private Limited
	AAPC India Hotel Management Private Limited
	Accent Hotels Private Limited
	Caddie Hotels Private Limited
	Cerebrus Consultants Private Limited
	Interglobe Enterprises Private Limited
	Interglobe Technology Quotient Private Limited
	Srilanand Mansions Private Limited
	Triguna Hospitality Ventures (India) Private Limited
	Aditya Birla Online Fashion Private Limited
	Omega Healthcare Management Services Private Limited (ceased w.e.f November 1, 2022)
	Applause Entertainment Private Limited
Trust <sup>(2)</sup>	Finesse International Design Private Limited (ceased w.e.f January 16, 2023)
	Vodafone Idea Limited Employees Group Gratuity Scheme*
	Vodafone Idea Limited Employees Superannuation Scheme*
	Vodafone Idea Manpower Services Limited Employees Group Gratuity Scheme*



## NOTES

forming part of the Standalone Financial Statements

Relationship	Related Party
Trust <sup>(2)</sup>	Hutchison Max Telecom Limited Superannuation Fund (Merged with Vodafone Idea Limited Employees Superannuation Scheme effective from April 01, 2021)*
	Vodafone Idea Shared Services Limited Employees Group Gratuity Scheme (Effective from June 28, 2021)*
	Vodafone Idea Telecom Infrastructure Limited Employees Group Gratuity Scheme (Effective from June 28, 2021)*

<sup>(1)</sup> As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

<sup>(2)</sup> Transaction with trust includes contribution to gratuity and superannuation funds and refer note 51 for information on transaction with post-employment benefit plans mentioned above.

\* No transactions during the year

The following transactions were carried out with the related parties in the ordinary course of business:

### A. Transactions with Related Parties for the year ended March 31, 2023 and March 31, 2022

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter / Promoter Group	Other Related Parties in which Directors are interested	Subsidiaries
Sale of Service	-*	2,048	-*	-	55	18	246
	-	(1,866)	-*	-	(55)	(27)	(211)
Purchase of Service <sup>(1)</sup>	-	92,721	-	-	-	-	10,669
	-	(96,930)	(68)	-	-	-	(10,337)
Remuneration <sup>(2)</sup>	-	-	-	92	-	-	-
	-	-	-	(54)	-	-	-
Directors' sitting fees paid	-	-	-	9	-	-	-
	-	-	-	(10)	-	-	-
Interest expense	-	-	-	-	-	-	116
	-	-	-	-	-	-	(22)
Expenses incurred on behalf of	-	-	16	-	-	-	50
	-	(36)	(21)	-	-	-	(73)
Expenses incurred on Company's behalf by	-	2	-	-	-	-	10
	-	-	-	-	-	-	(29)
Issuance of Share Capital against warrants	-	-	-	-	4,362	-	-
	-	-	-	-	-	-	-
Proceeds from allotment of Equity Shares	-	-	-	-	-	-	-
	-	-	-	-	(45,000)	-	-
Payment made on behalf of	-	-	-	-	-	-	5
	-	-	-	-	-	-	(32)
Payment Received on behalf of	-	-	-	-	-	-	12
	-	-	-	-	-	-	(888)
Sale of Property, Plant & Equipment	-	-	-	-	-	-	-
	-	-	-	-	-	-	(2)
Purchase of Property, Plant & Equipment	-	-	-	-	-	-	-
	-	-	-	-	-	-	-*

forming part of the Standalone Financial Statements

 $\text{Mn}$ 

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter / Promoter Group	Other Related Parties in which Directors are interested	Subsidiaries
Insurance premium (including advance given)	-	7	-	-	-	-	-
	-	(14)	-	-	-	-	-
Loan given during the year	-	-	-	-	-	-	21
	-	-	-	-	-	-	(330)
Loan repaid during the year	-	-	-	-	-	-	1,813
	-	-	-	-	-	-	(860)
Loan repayment received during the year	-	-	-	-	-	-	388
	-	-	(8)	-	-	-	(2,749)
Interest Income	-	-	-	-	-	-	-
	-	-	₹*	-	-	-	-
Donations Given	-	-	-	-	-	-	115
	-	-	-	-	-	-	(205)
Loan taken during the year	-	-	-	-	-	-	2,597
	-	-	-	-	-	-	(1,692)
Security Deposits Received	-	93	-	-	-	-	-
	-	-	-	-	-	-	-
Business Consideration received	-	-	-	-	-	-	2,433
	-	-	-	-	-	-	(2,269)

(Figures in bracket are for the year ended March 31, 2022)

### B. Year End Balances with Related Parties

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter / Promoter Group	Other Related Parties in which Directors are interested	Subsidiaries
Trade and Other Receivables	2	1,371	-*	-	100	132	93
	-	(905)	-*	-	(8)	(94)	(88)
Trade and Other Payables	-	112,234	-	-	-	4,538	4,924
	-	(90,130)	-	-	-	(4,621)	(4,157)
Lease Liability (included in Other non-current financial liabilities and Other current financial liabilities)	-	265,872	-	-	-	-	-
	-	(104,729)	-	-	-	-	-
Deposits Given (included in Other Non Current Financial Assets)	-	1,501	-	-	-	-	900
	-	(1,594)	-	-	-	-	(900)
Business Consideration Receivable	-	-	-	-	-	-	41,877
	-	-	-	-	-	-	(44,310)
Interest Accrued but not due (receivable)	-	-	-	-	-	-	2
	-	-	-	-	-	-	(15)

## NOTES

forming part of the Standalone Financial Statements

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter / Promoter Group	Other Related Parties in which Directors are interested	Subsidiaries
Remuneration payable	-	-	-	44	-	-	-
	-	-	-	(17)	-	-	-
Prepaid Expenses	-	296	-	-	-	-	1
	-	(342)	-	-	-	-	(1)
Outstanding loan receivable	-	-	-	-	-	-	6,291
	-	-	-	-	-	-	(6,658)
Interest payable	-	-	-	-	-	-	15
	-	-	-	-	-	-	(1)
Outstanding loan payable	-	-	-	-	-	-	2,345
	-	-	-	-	-	-	(1,562)
Advance received	-	-	-	-	-	-	17
	-	-	-	-	-	-	(20)

(Figures in bracket are as at March 31, 2022)

<sup>(1)</sup> Includes rental expenses pertaining to Indus Towers Limited. However, the same has been accounted for, in accordance with IND AS 116 in these financial statements.

<sup>(2)</sup> Remuneration includes amounts towards LTIP and ESOP basis actual payment/exercise. There is no remuneration paid to Mr. Ravinder Takkar from VIL and neither any amount is charged back to the Company by any other entity towards his remuneration during the current year till date of August 17, 2022 and previous year.

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

- (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. The Company has recognized settlement assets (net) amounting to ₹ 63,939 Mn as at March 31, 2023 (March 31, 2022 : ₹ 63,939 Mn) of which non current receivable is ₹ 81,204 Mn and current payable is ₹ 17,265 Mn.
- (ii) Guarantees given by bankers to third party on behalf of the Company, counter guaranteed by the VITIL of ₹ 39,350 Mn (March 31, 2022: ₹ 41,850 Mn), is availed by the Company.
- (iii) With respect to options that have already exercised there is an outstanding liability of ₹ 1,192 Mn payable to entities having significant influence (March 31, 2022: ₹ 1,156 Mn).
- (iv) During the year, the Company has contributed to Gratuity fund amounting to ₹ 388 Mn (March 31, 2022: ₹ 319 Mn).

## NOTES

forming part of the Standalone Financial Statements

**C. The significant related party transactions are summarised below for the year ended March 31, 2023 and March 31, 2022:**

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of Service</b>		
Vodafone Enterprise Global Limited	1,695	1,515
<b>Purchase of service</b>		
Indus Towers Limited	90,824	95,562
<b>Interest expenses</b>		
Vodafone Idea Shared Services Limited	62	5
Vodafone Idea Communication Systems Limited	55	16
<b>Expenses incurred on behalf of</b>		
Vodafone Group Services Limited	-	15
Vodafone Idea Business Services Limited	11	21
Vodafone Idea Telecom Infrastructure Limited	11	16
Vodafone Idea Shared Services Limited	13	13
<b>Expenses incurred on company's behalf by</b>		
Vodafone Group Services Limited	2	-
Vodafone Idea Business Services Limited	-	13
Vodafone Idea Shared Services Limited	10	-
Vodafone Idea Communication Systems Limited	-	16
<b>Issuance of Share Capital against warrants</b>		
Euro Pacific Securities Limited	4,362	-
<b>Proceeds from allotment of equity shares</b>		
Euro Pacific Securities Limited	-	26,156
Prime Metals Limited	-	7,594
Oriana Investments PTE Limited	-	11,250
<b>Payments made on behalf of</b>		
Vodafone Idea Telecom Infrastructure Limited	5	32
<b>Payments received on behalf of</b>		
Vodafone Idea Telecom Infrastructure Limited	12	888
<b>Sale of Property, Plant &amp; Equipment</b>		
Vodafone Idea Shared Services Limited	-	2
<b>Purchase of Property, Plant &amp; Equipment</b>		
Vodafone Idea Business Services Limited	-	-*
<b>Insurance premium (including advance given)</b>		
Aditya Birla Sun Life Insurance Company Limited	7	14

## NOTES

forming part of the Standalone Financial Statements

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Security Deposits Received</b>		
Indus Towers Limited	93	-
<b>Loan given during the year</b>		
Vodafone Idea Business Services Limited	-	330
Vodafone Idea Technology Solutions Limited	21	-
<b>Loan repaid during the year</b>		
Vodafone Idea Shared Services Limited	923	450
Vodafone Idea Communication Systems Limited	891	410
<b>Loan repayment received during the year</b>		
Vodafone Idea Business Services Limited	350	2,735
<b>Donations Given</b>		
Vodafone Foundation	115	205
<b>Loans taken during the year</b>		
Vodafone Idea Shared Services Limited	1,289	930
Vodafone Idea Communication Systems Limited	1,308	762
<b>Business Consideration received</b>		
Vodafone Idea Telecom Infrastructure Limited	2,433	2,269

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

### D. Commitments with Related Parties ₹ Nil (March 31, 2022 : ₹ Nil).

### E. Compensation of Key Management Personnel of the Company

₹ Mn

Particulars	March 31, 2023	March 31, 2022
Short-term employee benefits	91	53
Post-employment benefits <sup>(1)</sup>	1	1

<sup>(1)</sup> Represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations on overall basis, the same cannot be computed for individual employees and hence not included.

Government of India ('GoI') holds 33.14% equity shareholding in the Company as at March 31, 2023 (refer note 3). The Company has certain obligations arising from the telecom license taken from the Department of Telecommunication ('DoT') which is a Ministry of GoI towards license fees, spectrum usage charges, acquisition of spectrum and related deferred payment liability and interest thereon.

### Significant transactions undertaken as disclosed below are for the complete year:

₹ Mn

Particulars	For the year ended March 31, 2023
License fees	31,040
Spectrum usage charges	8,874
Interest on deferred payment obligations towards spectrum and AGR judgment	158,023
Acquisition of Spectrum	187,863

## NOTES

forming part of the Standalone Financial Statements

Balance as at March 31, 2023 are as below:

Particulars	₹ Mn
	As at March 31, 2023
Other current liabilities	11,040
Borrowings – Deferred payment obligations towards spectrum and AGR judgment and interest accrued thereon	1,962,570

The Company also has other transactions with other departments of GoI which include but are not limited to purchase and sale of goods and services, access charges, loans and interest thereon, various deposits etc which are not individually or collectively significant.

### NOTE 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:

Name of the Company	As at March 31, 2023		As at March 31, 2022	
	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
<b>Subsidiaries</b>				
Vodafone Idea Business Services Limited <sup>(1)</sup>	5,421	5,771	5,771	8,506
Vodafone Foundation <sup>(1)</sup>	5	5	5	5
Vodafone m-pesa Limited <sup>(1)</sup>	789	806	806	806
Vodafone Idea Technology Solutions Limited <sup>(1)</sup>	76	97	76	90
<b>Joint Venture</b>				
Firefly Networks Limited	-	-	-	8
	<b>6,291</b>	<b>6,679</b>	<b>6,658</b>	<b>9,415</b>

<sup>(1)</sup> The amounts mentioned above represents gross amount outstanding (refer note 16)

### NOTE 59: FINANCIAL INSTRUMENTS

**A) Financial Instruments by Category:** The following table provides categorisation of all financial instruments at carrying value except non-current investments in subsidiaries and associate which are carried at cost.

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Non-current investments	-*	10	-	-*	10	-
Trade Receivables	-	-	21,245	-	-	23,915
Loans to subsidiaries and joint venture	-	-	2,791	-	-	3,141
Cash and cash equivalents	-	-	2,216	-	-	14,144
Bank balance other than cash and cash equivalents	-	-	3	-	-	4



# NOTES

forming part of the Standalone Financial Statements

₹ Mn

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Margin money deposits <sup>(1)</sup>	-	-	6,450	-	-	20,324
Deposit with Body Corporates, Government Authorities and Others <sup>(1)</sup>	-	-	6,780	-	-	7,033
Interest receivable <sup>(1)</sup>	-	-	93	-	-	440
Derivative Financial Assets <sup>(1)</sup>	15	-	-	-	-	-
Settlement assets <sup>(1)</sup>	-	-	81,209	-	-	81,204
Business consideration receivable <sup>(1)</sup>	-	-	41,877	-	-	44,310
Others <sup>(1)</sup>	-	-	274	-	-	289
<b>Total Financial Assets</b>	<b>15</b>	<b>10</b>	<b>162,938</b>	<b>-*</b>	<b>10</b>	<b>194,804</b>

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

₹ Mn

Particulars	As at March 31, 2023		As at March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Liabilities</b>				
Fixed Rate loans from banks and others including Interest accrued but not due	-	45,792	-	28,816
Floating Rate loans from banks and others including Interest accrued but not due	-	86,612	-	153,407
Fixed rate Deferred Payment Obligations including Interest accrued but not due	-	1,962,570	-	1,798,121
Trade Payables <sup>(2)</sup>	-	138,166	-	134,093
Payables for Capital Expenditure <sup>(2)</sup>	-	63,970	-	65,629
Accrual towards One Time Spectrum Charges (OTSC) (refer note 42(vi)) <sup>(2)</sup>	-	56,449	-	49,572
Settlement liabilities (refer note 42(v)) <sup>(2)</sup>	-	17,270	-	17,265
Derivative Financial Liabilities <sup>(2)</sup>	26	-	102	-
Security Deposits from Customers and Others <sup>(2)</sup>	-	2,783	-	2,859
Lease liabilities <sup>(2)</sup>	-	361,623	-	228,245
Others <sup>(2)</sup>	1	-	2	-
<b>Total Financial Liabilities</b>	<b>27</b>	<b>2,735,235</b>	<b>104</b>	<b>2,478,007</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 Standalone 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 As at March 31, 2023

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Non-current investments	-	10	-	10
Derivative Financial Assets	-	15	-	15
<b>Total Financial Assets</b>	-	<b>25</b>	-	<b>25</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	26	-	26
Others	-	1	-	1
<b>Total Financial Liabilities</b>	-	<b>27</b>	-	<b>27</b>

#### ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2022

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Non-current investments	-	10	-	10
<b>Total Financial Assets</b>	-	<b>10</b>	-	<b>10</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	102	-	102
Others	-	2	-	2
<b>Total Financial Liabilities</b>	-	<b>104</b>	-	<b>104</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 to Subsidiaries and Joint venture
- 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

## NOTES

forming part of the Standalone Financial Statements

### b) Financial Liabilities

- Floating Rate loans from banks and others including Interest accrued but not due
- Trade Payables
- Payable for capital expenditure
- Accrual towards One Time Spectrum Charges
- Security Deposits from Customers and Others
- Lease liabilities
- Settlement liabilities
- Others

### 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 loans from banks and others including interest accrued but not due					
As at March 31, 2023	45,792	-	43,255	-	43,255
As at March 31, 2022	28,816	-	22,511	-	22,511
Fixed rate Deferred Payment Obligations including interest accrued but not due					
As at March 31, 2023	1,962,570	-	1,996,407	-	1,996,407
As at March 31, 2022	1,798,121	-	1,940,757	-	1,940,757

### C) 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 Company enters into derivative financial instruments such as forward and interest rate swap 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.

## NOTES

forming part of the Standalone Financial Statements

### NOTE 60: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, 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 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. 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, 2023 and March 31, 2022.

#### 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. At March 31, 2023, after taking into account the effect of interest rate swaps, approximately 95.74% of the Company's borrowings are at a fixed rate of interest (March 31, 2022: 92.02% ).

#### 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/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on profit/(loss) before tax
<b>March 31, 2023</b>		
INR - Borrowings	+100	(857)
	-100	857
USD - Borrowings	+100	(4)
	-100	4
<b>March 31, 2022</b>		
INR - Borrowings	+100	(1,437)
	-100	1,437
USD - Borrowings	+100	(88)
	-100	88

# NOTES

## forming part of the Standalone Financial Statements

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 contract is entered into for the purpose of hedging any foreign currency exposure, the Company negotiates the terms of those derivatives contracts to match the terms of the hedged exposure. The Company has major foreign currency risk in USD, EURO and GBP.

The Company has hedged 29.73% (March 31, 2022: 5.48%) of its foreign currency trade payables and other financial liabilities in USD and 100.00% (March 31, 2022: 95.92%) of its foreign currency loans in USD. This foreign currency risk is hedged by using foreign currency forward contracts (refer note 47). However the Company has not hedged the foreign currency trade payables in EURO and GBP.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Company's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies other than USD, EURO and GBP is not material.

Currency exposure	Change in currency exchange rate	Effect on profit/(loss) before tax
<b>March 31, 2023</b>		
USD	+5%	(1,064)
	-5%	1,064
EURO	+5%	(757)
	-5%	757
GBP	+5%	(60)
	-5%	60
<b>March 31, 2022</b>		
USD	+5%	(1,664)
	-5%	1,664
EURO	+5%	(671)
	-5%	671
GBP	+5%	(58)
	-5%	58

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 Standalone 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).

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

### d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

#### - Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 to 30 days' credit terms. Outstanding customer receivables are regularly monitored.

The Company follows a 'simplified approach' (i.e. based on lifetime Expected credit losses (ECL)) for recognition of impairment loss allowance on Trade receivables. A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Company, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90/120 days from date of billing and b) for other trade receivables on account of Interconnect, Roaming, Fixed line Voice and data service etc. remaining unpaid beyond 180/365 days. Further, allowance is also recognised for cases indicating any specific trail of credit loss within the ageing brackets mentioned above. Individual trade receivables are written off when management deems them not to be collectible. Any subsequent recovery is recognized as Income in the Statement of Profit and Loss. Refer Note 13 for the carrying amount of credit exposure as on the Balance Sheet date.

#### - Other financial assets and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's Treasury Department periodically, and may be updated throughout the year. The limits are intended to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2023 and March 31, 2022 on its carrying amounts as disclosed in notes 10, 13, 14, 15, 16 and 17 except for derivative financial instruments. The Company's maximum exposure relating to financial derivative instrument is noted in liquidity table below note 60 (e).

### 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. As at March 31, 2023, approximately 4.26% of the Company's debt excluding interest will mature in less than one year, without considering reclassification into current maturity of debt due to Covenant breach (March 31, 2022: 4.35%) based on the carrying value of borrowings reflected in the financial statements.

As the Company has already availed the moratorium with respect to AGR and Deferred Spectrum Obligation as referred in Note 3 and based on the past performance and future expectation, the Company believes that cash generated from operations, raising additional funds as required, working capital management, successful negotiations with lenders and vendors for continued support will satisfy its cash flow requirement associated with repayment of borrowings and other liabilities from its operation (refer note 3, 22(D) and 22 (E)).



## NOTES

### forming part of the Standalone Financial Statements

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

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
<b>As at March 31, 2023</b>					
Loans from banks and others and Interest thereon <sup>(1)</sup>	132,404	131,184*	15,674	-	146,858
Deferred Payment Obligations and Interest thereon <sup>(2)</sup>	1,962,570	18,455	1,176,113	2,146,037	3,340,605
Trade and other payables <sup>(3)&amp;^^</sup>	258,585	257,484	1,499	-	258,983
Lease liabilities	361,623	143,897	217,493	151,426	512,816
Settlement liabilities (refer note 42(v))	17,270	17,270	-	-	17,270
Other financial liabilities <sup>(1), (2) &amp; (3)</sup>	2,784	2,784	-	-	2,784
	<b>2,735,236</b>	<b>571,074</b>	<b>1,410,779</b>	<b>2,297,463</b>	<b>4,279,316</b>
Derivatives liabilities <sup>(4)</sup>	26	26	-	-	26
Derivatives assets <sup>(4)</sup>	(15)	(15)	-	-	(15)
<b>Total</b>	<b>2,735,247</b>	<b>571,085</b>	<b>1,410,779</b>	<b>2,297,463</b>	<b>4,279,327</b>
<b>As at March 31, 2022</b>					
Loans from banks and others and Interest thereon <sup>(1)</sup>	182,223	163,711*	31,654	-	195,365
Deferred Payment Obligations and Interest thereon <sup>(2)</sup>	1,798,121	18	689,302	2,315,090	3,004,410
Trade and other payables <sup>(3)&amp;^^</sup>	249,294	247,666	2,382	-	250,048
Lease liabilities	228,245	123,501	116,723	22,004	262,228
Settlement liabilities (refer note 42(v))	17,265	17,265	-	-	17,265
Other financial liabilities <sup>(1), (2) &amp; (3)</sup>	2,861	2,816	45	-	2,861
	<b>2,478,009</b>	<b>554,977</b>	<b>840,106</b>	<b>2,337,094</b>	<b>3,732,177</b>
Derivatives liabilities <sup>(4)</sup>	102	102	-	-	102
<b>Total</b>	<b>2,478,111</b>	<b>555,079</b>	<b>840,106</b>	<b>2,337,094</b>	<b>3,732,279</b>

<sup>(1)</sup> Interest accrued but not due of ₹ 2,767 Mn (March 31, 2022: ₹ 2,637 Mn) has been excluded from other financial liabilities and included in Loans from banks and others and interest thereon.

<sup>(2)</sup> Interest accrued but not due of ₹ 74,002 Mn (March 31, 2022: ₹ 66,969 Mn) has been excluded from other financial liabilities and included in Deferred Payment Obligations and interest thereon.

<sup>(3)</sup> Payable for capital expenditure of ₹ 63,970 Mn (March 31, 2022: ₹ 65,629 Mn) and Accrual towards One Time Spectrum Charges (OTSC) of ₹ 54,495 Mn (March 31, 2022: ₹ 49,572 Mn) has been excluded from other financial liabilities and included in trade and other payables.

<sup>(4)</sup> Included as part of maturity profile as the underlying of these derivatives are borrowings and other financial liabilities included above.

\* The Company has classified an amount of ₹ 39,271 Mn (March 31, 2022: ₹ 68,131 Mn) from non-current borrowings to current maturities of long term debt although the Company believes that there will be no acceleration of payment in this regard (refer note 22(D))

^^ Includes payable for capital expenditure of ₹ 47,648 Mn (March 31, 2022 : ₹ 35,770 Mn) due for payment.

## NOTES

forming part of the Standalone Financial Statements

### NOTE 61: 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.

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
Long term borrowings		
Loans from banks and others	9,351	28,363
Deferred Payment Obligations	1,883,550	1,731,145
Short term borrowings	125,304	151,231
Less: Cash and cash equivalents	(2,216)	(14,144)
Less: Fixed deposits with banks having maturity of 3 to 12 months	(2)	(2)
<b>Net debt (A)</b>	<b>2,015,987</b>	<b>1,896,593</b>
Equity share capital	486,797	321,188
Other Equity	(1,225,185)	(935,550)
<b>Total Equity (B)</b>	<b>(738,388)</b>	<b>(614,362)</b>
<b>Net debt-equity ratio (A)/(B)</b>	<b>(2.73)</b>	<b>(3.09)</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

### NOTE 62: ADDITIONAL DISCLOSURE AS PER REQUIREMENT OF SCHEDULE III

#### A) Ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	% Variance	Reason for variance
Current Ratio <sup>(1)</sup>	0.38	0.47	(18)%	Mainly due to decrease in Current Assets during the year
Debt Equity Ratio <sup>(2)</sup>	(2.73)	(3.11)	(12)%	
Debt Service Coverage Ratio ('DSCR') <sup>(3)</sup>	0.25	0.27	(6)%	
Return on Equity Ratio <sup>(4)</sup>	NA*	NA*	NA	
Trade Receivables turnover ratio (number of days) <sup>(5)</sup>	20	23	(15)%	
Trade Payables turnover ratio <sup>(6)</sup>	1.64	1.49	10%	
Net capital turnover ratio <sup>(7)</sup>	(0.70)	(0.64)	9%	Mainly due to decrease in Net working capital during the year
Net Profit ratio (%) <sup>(8)</sup>	(70)%	(74)%	(5)%	
Return on Capital employed <sup>(9)</sup>	(5)%	(6)%	(14)%	
Return on investment <sup>(10)</sup>	NA	NA	NA	

# NOTES

forming part of the Standalone Financial Statements

- (1) Current Ratio = [Current assets/Current liabilities (excluding short term borrowings)]
- (2) Debt-Equity Ratio = [Debt (excluding interest accrued but not due)/ Equity]
- (3) 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 liabilities) + interest capitalised + scheduled long term principal repayments(excluding prepayments)]
- (4) Return on Equity Ratio = [Net Profit/(loss) after tax/ Average Equity]
- (5) Trade Receivables turnover ratio = [(Average trade receivables/(Revenue from operations)\*Number of days during the year]
- (6) Trade Payables turnover ratio = [Total purchases/Average Trade Payables]
- (7) Net capital turnover ratio = [Revenue from operations / (Current asset - Current liability (excluding Short term borrowings))]
- (8) Net profit ratio = [Profit after tax/Revenue from operations]
- (9) Return on Capital employed = [(Profit/(loss) before tax + Finance costs) / (Equity share capital + Other equity + Debt (excluding interest accrued but not due) + Deferred tax liabilities) ]
- (10) Return on investment = [Gain on Mutual Fund (including fair value gain/(loss)) / Average Investment in Mutual Fund]
- \* As the Net-worth is negative as on March 31, 2023 and as on March 31, 2022.

## B) Relationship with struck off companies

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Transaction during year ended March 31, 2023	Transaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Maxwell Solutions Private Limited	Payables	-*	-*	1	1	Vendor
Kavi Constructions Private Limited	Payables	-	-*	-	-	Vendor
E2E Solutions Pvt. Ltd.	Payables	-*	-*	-*	-*	Vendor
Miheer Engineering Services Pvt Ltd	Payables	-*	-	1	1	Vendor
E Charge Tech Pvt Ltd	Payables	-	-	1	1	Vendor
Sayali Interiors Pvt Ltd	Payables	-	-	-*	-*	Vendor
Nexus Connexions Private Limited	Payables	-	-*	-*	-*	Vendor
Power Charge Services Pvt Ltd	Payables	-	-*	-*	-*	Vendor
Shachi Technologies Pvt. Ltd.,	Payables	-	-	-*	-*	Vendor
Vistaas Digital Media Pvt Ltd	Payables	-*	-	-*	-*	Vendor
Skan Bpo Private Limited	Payables	-	-	-*	-*	Vendor
Gbc Infotech Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Vriti Infocom Pvt Ltd	Payables	-	-*	-*	-*	Vendor
Bajoria Sales Pvt Ltd	Payables	-	-	-*	-*	Vendor
Wdc Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Eknovate Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Ezee Eon Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Msl Proximiti Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Tech Brahma Services Pvt Ltd	Payables	-	-	-*	-*	Vendor
True Eon Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Cb Data Solution Pvt Ltd	Payables	-	-	-*	-*	Vendor

# NOTES

forming part of the Standalone Financial Statements

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Vites Infotech India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Knowledge Works India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Matha Corporate Solutions Pvt Ltd	Payables	-	-*	-*	-*	Vendor
Copsdiwa Tech Pvt Ltd	Payables	-	-	-*	-*	Vendor
Fybraint Technologies Pvt Ltd	Payables	-	-	-*	-*	Vendor
Septum Networks India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Shivanee Infra Tech Pvt.Ltd	Payables	-	-	-*	-*	Vendor
Wondertree Hr Consulting Pvt Ltd	Payables	-	-	-*	-*	Vendor
Faiz Recycling Private Limited	Payables	-	-	-*	-*	Vendor
Swasthik Sahits Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Safal Agri Biotech Pvt Ltd	Payables	-	-	-*	-*	Vendor
Eloqunc Consulting Pvt Ltd	Payables	-	-	-*	-*	Vendor
Ragathirumala Enterprises Pvt Ltd	Payables	-	-	-*	-*	Vendor
Subten Technologies Pvt Ltd	Payables	-	-	-*	-*	Vendor
Imind Cellworks Pvt Ltd	Payables	-	-	-*	-*	Vendor
Chemiron Impex Private Limited	Payables	-*	-	-	-*	Vendor
Ciro It Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Bestshop99 Trading Private Limited	Payables	-	-	-*	-*	Vendor
Ayuno Soluzione Pvt Ltd	Payables	-	-	-*	-*	Vendor
Estoem Infovision India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Raju Call Info Pvt Ltd	Payables	-	-	-*	-*	Vendor
Ensemble Furniture Limited	Payables	-	-	-*	-*	Vendor
Nosyworld Solutions Private Limited	Payables	-	-	-*	-*	Vendor
Spark Fincorp India Limited	Payables	-	-	-*	-*	Vendor
One M Infomedia Private Limited	Payables	-*	-	-*	-*	Vendor
Planet M Retail Ltd	Payables	-	-	-*	-*	Vendor
Leonine Business Franchise Pvt Ltd	Payables	-	-	-*	-*	Vendor
Windz Express (P) Ltd	Payables	-	-	-*	-*	Vendor
Aargam Computers Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Activ4Pets India Private Limited	Payables	-	-*	-*	-*	Vendor
Big Millionaire Multitrade Pvt Ltd	Payables	-	-	-*	-*	Vendor
Itmarg Solutions Private Limited	Payables	-	-	-*	-*	Vendor
Firstpriority Logistics Pvt Ltd	Payables	-	-	-*	-*	Vendor
Proto Financial Services Pvt Ltd	Payables	-	-*	-*	-*	Vendor
Wpi Tele Info Pvt Ltd	Payables	-	-	-*	-*	Vendor
H K Mobiles Pvt Ltd	Payables	-	-	-*	-*	Vendor

# NOTES

forming part of the Standalone Financial Statements

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Bernhard Consultancy Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Mm Communication Pvt Ltd	Payables	-	-*	-*	-*	Vendor
Rawelcom Services India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Core Hr Services Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Tethys Telecom Private Limited	Payables	-	-	-*	-*	Vendor
Vvidia Communications Pvt Ltd	Payables	-	-*	-*	-*	Vendor
True Value Inn Pvt Ltd	Payables	-	-	-*	-*	Vendor
Guru Caf Management Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Auto Track Systems India Limited	Payables	-	-	-*	-*	Vendor
Imbue Infotech Pvt Ltd	Payables	-	-	-*	-*	Vendor
Evis Infoware India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Crossbow Infotech Pvt Ltd	Receivables	-	-	1	1	Vendor
Strop Softech Private Limited	Receivables	-	-*	-*	-*	Customer
Shrinathji Netsol (India)	Receivables	-*	-	-*	-*	Customer
Starvice Technologies Pvt Ltd	Receivables	-	-	1	1	Customer
Agape Communications Pvt Ltd	Receivables	-	-*	-*	-*	Customer
Wizard Infocom Pvt. Ltd.	Receivables	-	-	-*	-*	Customer
Infra-Red Coastal Ventures Pvt. Ltd	Receivables	-	-	-	-*	Customer
Sln Tele Services Pvt Ltd	Receivables	-	-	-*	-*	Customer
Bnr Communications Private Limited	Receivables	-	-	-*	-*	Customer
Eupraxia Technology Pvt. Ltd.	Receivables	-	-	-*	-*	Customer
Ares Management Services Pvt Ltd	Receivables	-	-	-*	-*	Customer
Taj Technotech Ltd	Receivables	-	-	-*	-*	Customer
Abs Homes Developers India Pvt Ltd	Receivables	-	-	-*	-*	Customer
5A Information Technologies Pvt Ltd	Receivables	-	-	-*	-*	Customer
Tls It Solutions India Pvt Ltd	Receivables	-	-	-*	-*	Customer
Landmark Motors	Receivables	-	-	-*	-*	Customer
Tqs Infotech Private Limited	Receivables	-	-	-*	-	Customer
Yellow Tech Solutions Pvt. Ltd	Receivables	-	-	-*	-*	Customer
Care Esolutions Private Limited	Receivables	-	-	-*	-*	Customer
Arpanam Innovative Solutions	Receivables	-*	-	-*	-*	Customer
Capative Karan Project Pvt Ltd	Receivables	-	-	-*	-*	Customer
Patroun Corporate Agency Pvt Ltd	Receivables	-	-	-*	-*	Customer
Kp Tradeline Private Limited	Receivables	-	-	-*	-*	Customer
Peniel Consultants Private Limited	Receivables	-	-*	-*	-*	Customer

# NOTES

forming part of the Standalone Financial Statements

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Sitechs Bpo Private Limited	Receivables	-	-*	-*	-*	Customer
Oceanin Info Solutions Pvt Ltd	Receivables	-	-	-*	-*	Customer
Aintu Services Private Limited	Receivables	-*	-	-	-*	Customer
Home Aspira Online Pvt Ltd	Receivables	-	-	-*	-*	Customer
V2V Enterprises Private Limited	Receivables	-	-	-*	-*	Customer
Agastya Logistics Pvt Ltd	Receivables	-	-	-*	-*	Customer
Ornatus Solutions Pvt Ltd	Receivables	-	-	-*	-*	Customer
Datasys E Services Pvt Ltd	Receivables	-	-	1	1	Customer
Getit Infoservices Private Limited	Receivables	-*	-*	5	5	Customer
Expomark Exhibition Organizers Private Limited	Receivables	-	-	-*	-*	Customer
Somya Infoedge Private Limited	Payables	-	-	-*	-*	Customer
Akhuratha Communications Private Limited	Payables	-	-	1	1	Customer
Tashi Infocom Private Limited	Payables	6	6	-*	6	Customer
Unicall Private Limited	Receivables	-	-	6	6	Customer
Anr Com - Serve Private Limited	Payables	-	-	-*	-	Customer
Genesis Infosolutions Private Limited	Payables	-	-	-*	-*	Customer
Value Minds It Services Private Limited	Payables	-	-	-*	-*	Customer
Guru Integrated Services Private Limited	Payables	-	-	-*	-*	Customer
Idha E Tail Arks Private Limited	Payables	-	-	-*	-	Customer
Talk On Net Private Limited	Receivables	-	-	1	1	Customer
Wtel Communications India Private Limited	Receivables	-	-	-*	-*	Customer
Vcraft Bpo Services Private Limited	Receivables	-	-	-*	-*	Customer
Everest Distrubutors Pvt Ltd	Payables	-*	-*	-*	-*	Customer
Sfs Corporate Services Private Limited	Payables	-*	-*	1	1	Customer
Allianz Management Solutions Private Limited	Receivables	-	-	1	1	Customer
Sae Retail Private Limited	Payables	-	-*	-*	-*	Customer
Binbit Mobile India Private Limited	Payables	-	-*	-*	-*	Vendor
Jerry Mouse Technologies Private Limited	Payables	-	-*	-*	-*	Vendor
Chemiron Impex Pvt. Ltd.	Receivables	-	-	-*	-*	Vendor
Machine Works (International) Ltd	Receivables	-	-	-*	-*	Vendor
Alates Technical Pest Control Private Limited	Receivables	-	-	-*	-*	Vendor
Safeguard Manpower Services Private Limited	Payables	-*	-*	-*	-*	Vendor
Translife Logistics Private Limited	Receivables	-	-	-*	-*	Vendor
Suryanandan Texturisers Ltd	Payables	-	-	1	1	Vendor
Tranz Vision Digital Media Private Limited	Receivables	-	-	-*	-*	Vendor



# NOTES

forming part of the Standalone Financial Statements

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Grandways Couriers Private Limited	Payables	-*	-*	-	-*	Vendor
Bandu Software Solutions Private Limited	Payables	-	-	-*	-*	Vendor
Airhub Technologies Private Limited	Payables	-	-	-*	-*	Vendor
Narangs International Limited	Receivables	-*	-*	-*	-*	Vendor
Nexzen Agency India Company Private Limited	Payables	-	-	-*	-*	Vendor
Abhiyaan Teleinfra Private Limited	Payables	1	-	-	1	Vendor
Global Visionaries Eventz Private Limited	Receivables	-	-	2	2	Vendor
Speed Mail Distribution Private Limited	Payables	-	-	-*	-*	Vendor
Savvy Management Services Private Limited	Receivables	-	-	-*	-*	Vendor
Sharvari Build-Con Private Limited	Receivables	-	-	-*	-*	Vendor
Shri Dharmasastha Logistics Private Limited	Payables	-	-	-*	-*	Vendor
Gopala Sweets Private Limited	Payables	-*	-*	-*	-	Vendor
Penshell Design Private Limited	Payables	-*	-	-	-*	Vendor
Cloudric Technologies Private Limited	Payables	-*	-*	1	1	Vendor
Studio 77 Events & Activations Private Limited	Payables	-	-	-*	-*	Vendor
Exelence Marketing Services Private Limited	Receivables	-	-	-*	-*	Vendor
Genius Consultants Pvt. Ltd	Receivables	-*	-*	-*	-*	Vendor
Sri Rama Telecom & Infratech Private Limited	Payables	-	-	-*	-*	Vendor
Natural Printings Private Limited	Receivables	-	-	-*	-*	Vendor
Omega Telenet Engineering Private Limited	Receivables	-	-	-*	-*	Vendor
Ezeeconnect Messaging Services Private Limited	Receivables	-	-	-*	-*	Vendor
Birla Telecom Limited	Receivables	-	-	-*	-*	Vendor
Wilnet Communications Private Limited	Receivables	-	-	-*	-*	Vendor
K.B. Sales Private Limited	Receivables	-	-	-*	-*	Vendor
Fort Oasis Maintenance Private Limited	Receivables	-	-	-*	-*	Vendor
Red Sun Taxi Services Private Limited	Receivables	-	-	-*	-*	Vendor
Palmgrove Hotels Private Limited	Payables	-*	-	-*	-	Vendor
Scalable It Solutions (Hyd) Private Limited	Receivables	-	-	-*	-*	Vendor
Knowledge Calls Technologies Private Limited	Receivables	-	-	-*	-*	Vendor
Home Front Commercial Services Private Limited	Receivables	-	-	-*	-*	Vendor
J.S.P. Mobile Solutions Private Limited	Receivables	-	-*	-*	-*	Vendor
Prosync Business Solutions Private Limited	Payables	-	-	-*	-*	Vendor
Madhura Enterprises Private Limited	Payables	-	-*	-*	-*	Vendor
Solaris Credit Services Private Limited	Receivables	-	-	-*	-*	Vendor

## NOTES

forming part of the Standalone Financial Statements

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Qualitative Market Research Private Limited	Receivables	-	-	-*	-*	Vendor
IpD Infotech Private Limited	Receivables	-	-	-*	-*	Vendor
Index Communications Private Limited	Payables	-	-*	-*	-*	Vendor
Ishta Communications Private Limited	Payables	-	-	-*	-*	Vendor
Corptel Infomedia India Private Limited	Receivables	-	-*	-*	-*	Vendor
Telcon Bpo India Private Limited	Receivables	-	-	-*	-*	Vendor
Fyntalk Communications Private Limited	Payables	-	-	-*	-*	Vendor
Setia Technologies Private Limited	Payables	-	-	-*	-*	Vendor
Chaitanya Detective Services Private Limited	Receivables	-	-	-*	-*	Vendor
Emerge Marcom Private Limited	Payables	-	-	-*	-*	Vendor
Blue Star Telecom Private Limited	Receivables	-	-	-*	-*	Customer
J K Cement Pvt Ltd	Receivables	-	-	-*	-*	Customer

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

### NOTE 63

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

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

**Ravinder Takkar**

Non-Executive Chairman  
(DIN : 01719511)

**Himanshu Kapania**

Non-Executive Director  
(DIN : 03387441)

**Nilangshu Katriar**

Partner

Membership No.: 58814

Place: Mumbai

Date : May 25, 2023

**Akshaya Moondra**

Chief Executive Officer

**Murthy G.V.A.S.**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

# Independent Auditor's Report

To the Members of Vodafone Idea Limited

Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the accompanying consolidated financial statements of Vodafone Idea Limited (hereinafter referred to as "the Company" or "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint venture comprising of the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Statement of Cashflows and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2023, 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 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 Financial Statements' section of our report. We are independent of the Group, associate and joint venture 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 financial statements.

## Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the financial statements, which describes the Group's financial condition as of March 31, 2023 and its debt obligations due for the next 12 months. The Group's financial performance has impacted its ability to generate the cash flow that it needs to settle/refinance its liabilities as they fall due.

The Group's ability to continue as a going concern is dependent on its ability to raise additional funds as required and successful negotiations with lenders and vendors for continued support and generation of cash flow from its operations that it needs to settle its liabilities 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 consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated 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 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 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 Consolidated financial statements)	
<p>For the year ended March 31, 2023, the service revenue recognised was ₹ 421,339 million.</p> <p>Revenue recognition has been identified as a key audit matter due to complexity of systems in recognizing revenues, significance of volumes of data process by system, constantly evolving pricing with discounted tariffs and operation in highly competitive marketplace.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <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 the operating effectiveness of IT dependent manual controls, performed data analytics and trend analysis, test of reconciliations between billing and other IT systems, prepaid applications and the general ledger. We performed procedures to test the computation of deferred revenue.</li> <li>• We read and assessed the revenue related accounting policy, critical estimates and assumptions and disclosures in the consolidated financial statements.</li> </ul>
<b>Assessment of claims related regulatory, taxation and legal matters</b> (as described in note 3, 41(vii) and 43 of the Consolidated financial statements)	
<p>At March 31, 2023 the value of regulatory, tax and legal disputes disclosed as contingent liabilities was ₹ 213,897 million.</p> <p>Pursuant to the Hon'ble Supreme Court judgement, the Group has recorded and carrying liability of ₹ 655,462 million related to AGR matter and ₹ 56,449 million related to one time spectrum charges (OTSC) for more than 6.2 MHz spectrum.</p> <p>Taxation, regulatory and litigation exposures have been identified as a key audit matter due to changing regulatory environment and significant judgement required by management in assessing the exposure of each case.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <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 Group including the interest computations based on the demands received by the Group from DoT, internal records of the Group based on the Hon'ble Supreme Court judgement and validated the computations in accordance with licence agreement and Hon'ble Supreme Court judgement for the provisions recorded in the books.</li> <li>• Assessed the relevant accounting policies and disclosures in the consolidated 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 and 25 of the Consolidated financial statements)	
<p>At March 31, 2023, current and non-current borrowings including interest accrued and AGR liability was ₹ 2,092,614 million and bank guarantee was ₹ 61,265 million.</p> <p>Annual covenant testing as at March 31, 2023 resulted in certain ratios breaching the specified covenant threshold for loans aggregating ₹ 68,160 million. Accordingly, the Group has classified ₹ 39,271 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 and waiver from the bank, if any.</li> <li>• We obtained independent confirmation from the bank with respect to borrowings and non-fund based facilities [including bank guarantees/letter of credit] outstanding as at March 31, 2023 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/commission rate used by the Group for computation of interest cost with the loan/bank guarantee agreements and various correspondences received by the Group from respective banks and corresponding increase in rates due to 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 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 and Sustainability Report, but does not include the consolidated financial statements and our auditor's report thereon. The Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility and Sustainability Report, is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture of which we are the independent auditors, to express an opinion on the consolidated 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 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 financial statements for the financial year ended March 31, 2023 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

The consolidated financial statements also includes the Group's share of net profit after tax and total comprehensive income of ₹ 5 million, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of the joint venture and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture 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 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated 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;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cashflows 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 financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards



specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) 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, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2023 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 with reference to these consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, 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, 2023 has been paid / provided by the Group 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:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 43 to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended March 31, 2023;
  - iv. a) The management of the Group represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities,

including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management of the Group represented that, to the best of its knowledge and belief, no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Group only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Nilangshu Katriar**

Partner

Membership Number: 058814

UDIN: 23058814BGYZON7847

Place: Mumbai

Date: May 25, 2023

## Annexure 1 to the Independent Auditor's Report

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

Re: Vodafone Idea Limited (the "Company")

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

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Vodafone Idea Limited	L32100GJ1996PLC030976	Holding Company	3 (i) (a) (A), 3 (i) (b), 3 (ix) (d), 3 (xix)
2	Vodafone Idea Business Service Limited	U74900GJ2009PLC058189	Subsidiary	3 (ix) (d), 3 (xix)
3	Vodafone Idea Manpower Service Limited	U74140GJ2007PLC051881	Subsidiary	3 (ix) (d), 3 (xix)
4	Vodafone Idea Shared Services Limited	U64204MH2016PLC287257	Subsidiary	3 (xix)
5	Vodafone Idea Telecom Infrastructure Limited	U64200GJ2007PLC106772	Subsidiary	3 (i) (a) (A), 3 (i) (b), 3 (ix) (d), 3 (xix)
6	You Broadband India Limited	U51909MH2000PLC139321	Subsidiary	3 (ix) (d), 3 (xix)
7	Vodafone M-Pesa Limited	U67100MH2014PLC258108	Subsidiary	3 (xiv) (a), 3 (ix) (d)
8	Vodafone Idea Technology Services Limited	U72900MH2014PLC260105	Subsidiary	3 (ix) (d), 3 (xix)

The report of the following components included in the consolidated financial statements has not been issued by its auditor till the date of our auditor's report.

S. No.	Name	CIN	Subsidiary/associate/ joint venture
1.	FireFly Networks Limited	U74999DL2014PLC264417	Joint Venture
2.	Aditya Birla Idea Payments Bank Limited	U65923MH2016PLC273308	Associate

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Nilangshu Katriar**

Partner

Membership Number: 058814

UDIN: 23058814BGYZON7847

Place: Mumbai

Date: May 25, 2023

## Annexure 2 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 as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to the consolidated financial statements of Vodafone Idea Limited and its subsidiary companies, its associate and joint venture, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, its associate and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Holding Company's internal financial controls 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these 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 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 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, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated financial statements.

### Meaning of Internal Financial Controls with reference to these Consolidated Financial Statements

A company's internal financial control 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 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 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 Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

### per **Nilangshu Katriar**

Partner

Membership Number: 058814

UDIN: 23058814BGYZON7847

Place: Mumbai

Date: May 25, 2023

# CONSOLIDATED BALANCE SHEET

as at March 31, 2023

			₹ Mn
Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment (including RoU Assets)	7	598,211	536,327
Capital work-in-progress	7	3,003	3,239
Intangible assets	8	964,341	1,031,859
Intangible assets under development	8	175,761	404
Investments accounted for using the equity method	9	58	53
Financial assets			
Other non-current financial assets	10	88,501	88,492
Deferred tax assets (net)	53	135	60
Other non-current assets	11	103,388	111,502
<b>Total non-current assets (A)</b>		<b>1,933,398</b>	<b>1,771,936</b>
<b>Current assets</b>			
Inventories	12	163	23
Financial assets			
Trade receivables	13	21,640	24,439
Cash and cash equivalents	14	2,288	14,532
Bank balance other than cash and cash equivalents	15	6,266	20,434
Other current financial assets	16	394	756
Current tax assets		-	6,031
Other current assets	17	107,785	102,140
<b>Total current assets (B)</b>		<b>138,536</b>	<b>168,355</b>
Assets classified as held for sale (AHFS) (C)	18	493	-
<b>Total Assets (A+B+C)</b>		<b>2,072,427</b>	<b>1,940,291</b>

# CONSOLIDATED BALANCE SHEET

as at March 31, 2023

		₹ Mn	
Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	486,797	321,188
Other equity	20	(1,230,388)	(940,836)
<b>Total equity (A)</b>		<b>(743,591)</b>	<b>(619,648)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Long term borrowings			
Loans from banks and others	21 (A)	9,351	28,363
Deferred payment obligations	21 (B)	1,883,550	1,731,145
Lease Liabilities	45	250,612	114,325
Trade payables	26	1,058	852
Other non-current financial liabilities	22	66,623	68,461
Long term provisions	23	235	384
Other non-current liabilities	24	4,362	5,070
<b>Total non-current liabilities (B)</b>		<b>2,215,791</b>	<b>1,948,600</b>
<b>Current liabilities</b>			
Financial liabilities			
Short term borrowings	25	122,959	149,669
Lease Liabilities	45	111,188	114,109
Trade payables	26	135,364	131,699
Other current financial liabilities	27	153,557	139,606
Other current liabilities	28	77,011	76,018
Short term provisions	29	148	238
<b>Total current liabilities (C)</b>		<b>600,227</b>	<b>611,339</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>2,072,427</b>	<b>1,940,291</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

For and on behalf of the Board of Directors of **Vodafone Idea Limited****Ravinder Takkar**Non-Executive Chairman  
(DIN : 01719511)**Himanshu Kapania**Non-Executive Director  
(DIN : 03387441)**Nilangshu Katriar**Partner  
Membership No.: 58814**Akshaya Moondra**

Chief Executive Officer

**Murthy G.V.A.S.**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

Place: Mumbai

Date : May 25, 2023



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

₹ Mn			
Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>			
Service revenue		421,339	384,895
Sale of trading goods		87	89
Other operating income	30	346	171
<b>Revenue from operations</b>		<b>421,772</b>	<b>385,155</b>
Other income	31	3,113	1,294
<b>Total income</b>		<b>424,885</b>	<b>386,449</b>
<b>EXPENSES</b>			
Cost of trading goods		78	70
Employee benefit expenses	32	18,663	17,351
Network expenses and IT outsourcing cost	33	100,783	98,182
License fees and spectrum usage charges	34	40,021	41,988
Roaming and access charges	35	38,991	29,155
Subscriber acquisition and servicing expenditure	36	36,780	19,711
Advertisement, business promotion expenditure and content cost	37	9,412	9,791
Other expenses	38	8,874	8,546
		<b>253,602</b>	<b>224,794</b>
<b>Profit / (Loss) before finance costs, depreciation, amortisation, share of net profit of joint venture, exceptional items and tax</b>		<b>171,283</b>	<b>161,655</b>
Finance costs	39	233,543	209,808
Depreciation	7	142,584	146,569
Amortisation	8	87,913	89,274

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

₹ Mn			
Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Profit / (Loss) before share of profit of joint venture, exceptional items and tax</b>		<b>(292,757)</b>	<b>(283,996)</b>
Add : Share in profit of joint venture	60	5	12
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(292,752)</b>	<b>(283,984)</b>
Exceptional items (net)	40	(224)	1,643
<b>Profit / (Loss) before tax</b>		<b>(292,976)</b>	<b>(282,341)</b>
Tax expense:			
- Current tax	52	115	173
- Deferred tax	52 & 53	(80)	(60)
<b>Profit / (Loss) after tax for the year</b>		<b>(293,011)</b>	<b>(282,454)</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	51	115	90
Income tax effect	52 & 53	(4)	(1)
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>111</b>	<b>89</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>(292,900)</b>	<b>(282,365)</b>
<b>Earnings / (loss) per equity share of ₹ 10 each:</b>	54		
Basic (₹)		<b>(8.43)</b>	<b>(9.83)</b>
Diluted (₹)		<b>(8.43)</b>	<b>(9.83)</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 : May 25, 2023

For and on behalf of the Board of Directors of **Vodafone Idea Limited****Ravinder Takkar**Non-Executive Chairman  
(DIN : 01719511)**Akshaya Moondra**

Chief Executive Officer

**Himanshu Kapania**Non-Executive Director  
(DIN : 03387441)**Murthy G.V.A.S.**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

## A. Equity share capital:

Equity shares of ₹ 10 each issued, subscribed and fully paid

	Numbers	Amount (₹ Mn)
<b>As at April 1, 2021</b>	28,735,389,240	287,354
Issue of Share capital (refer note 41(ii))	3,383,458,645	33,834
<b>As at March 31, 2022</b>	<b>32,118,847,885</b>	<b>321,188</b>
Issue of Share capital (refer note 3 and refer note 41(iii))	16,560,841,320	165,609
<b>As at March 31, 2023</b>	<b>48,679,689,205</b>	<b>486,797</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

8. Other equity

Particulars	Reserves and surplus									₹ Mn
	Capital reserve (refer note 20(i))	Capital reduction reserve (refer note 20(ii))	Debt redemption reserve (refer note 20(iii))	Securities premium (refer note 20(iv))	Amalgamation adjustment account (refer note 20(v))	General reserve (refer note 20(vi))	Retained earnings (refer note 20(vii))	Employee stock options reserve (refer note 20(viii))	Convertible Share Warrants (refer note 20(ix))	
As at April 1, 2021	(88,460)	277,787	4,408	1,084,698	(488,444)	1,562	(1,461,546)	361	-	(669,634)
Profit/(Loss) for the year ended March 31, 2022	-	-	-	-	-	-	(282,454)	-	-	(282,454)
Other comprehensive income/(loss) for the year ended March 31, 2022	-	-	-	-	-	-	89	-	-	89
Total comprehensive income/(loss)	-	-	-	-	-	-	(282,365)	-	-	(282,365)
Allotment of Equity Share Capital (net of issue expense of ₹ 3 Mn) (refer note 41(ii))	-	-	-	11,163	-	-	-	-	-	11,163
Share-based payment expenses (refer note 50)	-	-	-	-	-	-	311	(311)	-	-
As at March 31, 2022	(88,460)	277,787	4,408	1,095,861	(488,444)	1,562	(1,743,600)	50	-	(940,836)
Profit/(Loss) for the year ended March 31, 2023	-	-	-	-	-	-	(293,011)	-	-	(293,011)
Other comprehensive income/(loss) for the year ended March 31, 2023	-	-	-	-	-	-	111	-	-	111
Total comprehensive income/(loss)	-	-	-	-	-	-	(292,900)	-	-	(292,900)
Adjustment on account of settlement of financial liability (refer note 3)	-	-	-	-	-	-	3,305	-	-	3,305
Issue of convertible share warrants (refer note 41(iii))	-	-	-	-	-	-	-	-	4,362	4,362
Conversion of convertible share warrants into equity shares (net of share issue expenses of ₹ 42 Mn) (refer note 41(iii))	-	-	-	43	-	-	-	-	(4,362)	(4,319)
Share-based payment expenses (refer note 50)	-	-	-	-	-	-	12	(12)	-	-
As at March 31, 2023	(88,460)	277,787	4,408	1,095,904	(488,444)	1,562	(2,033,183)	38	-	(1,230,388)

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of **Vodafone Idea Limited****Ravinder Takkar**Non-Executive Chairman  
(DIN : 01719511)**Himanshu Kapania**Non-Executive Director  
(DIN : 03387441)**Nilangshu Katriar**

Partner

Membership No.: 58814

Place: Mumbai

Date : May 25, 2023

**Pankaj Kapdeo**

Company Secretary

**Murthy G.V.A.S.**

Chief Financial Officer

**Akshaya Moondra**

Chief Executive Officer

# STATEMENT OF CONSOLIDATED CASH FLOWS

for the year ended March 31, 2023

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>OPERATING ACTIVITIES</b>		
<b>Loss before tax</b>	(292,976)	(282,341)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Share in profit of joint venture and associate (net)	(5)	(12)
Depreciation of property, plant and equipment (including RoU Assets)	142,584	146,569
Amortisation of intangible assets	87,913	89,274
Share-based payment expense (ESOS)	2	(16)
Gain on disposal of property, plant and equipment and intangible assets (net)	(642)	(679)
Loss/(Gain) on leasehold land (refer note 40)	224	(1,266)
Accelerated depreciation on account of network re-alignment/re-farming (refer note 40)	-	137
Finance costs (including fair value change in financial instruments)	233,543	209,808
Bad debts / advances written off	1,170	1,756
Allowance for doubtful debts / advances	86	479
Liabilities / provisions no longer required written back	(175)	(70)
Other income	(2,761)	(1,057)
<b>Working capital adjustments</b>		
Decrease/(Increase) in trade receivables	1,847	(383)
(Increase) in inventories	(140)	(17)
Decrease/(Increase) in other financial and non-financial assets	10,626	(30,051)
(Decrease) in trade payables	(2,477)	(3,432)
(Decrease)/Increase in other financial and non-financial liabilities	(3,581)	30,476
<b>Cash flows from operating activities</b>	<b>175,238</b>	<b>159,175</b>
Income tax refund (including TDS) (net)	13,449	14,695
<b>Net cash flows from operating activities</b>	<b>188,687</b>	<b>173,870</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(39,422)	(60,089)
Payment towards Spectrum - Upfront payment	(16,800)	(1,035)
Proceeds from sale of property, plant and equipment and intangible assets	857	1,207
Proceeds from sale of Investment property (leasehold land) (net of expenses)	-	1,870
Net sale of current investments	290	180
Repayment of loan given to joint venture	-	8
Interest received	941	586
Placement for Fixed deposits with banks having maturity of 3 to 12 months	(2)	(30)
<b>Net cash flows (used in) investing activities</b>	<b>(54,136)</b>	<b>(57,303)</b>

# STATEMENT OF CONSOLIDATED CASH FLOWS

for the year ended March 31, 2023

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>FINANCING ACTIVITIES</b>		
Proceeds from allotment of equity shares under Preferential Issue (net of share issue expenses of ₹ 3 Mn) (refer note 41(ii))	-	44,997
Proceeds from issue of convertible share warrants (net of share issue expenses of ₹ 42 Mn) (refer note 41(iii))	4,320	-
Payment of interest and finance charges <sup>(1)</sup>	(20,940)	(27,997)
Proceeds from long term borrowings	16,000	5,000
Repayment of long term borrowings	(59,460)	(80,641)
Proceeds from short term borrowings	19,824	22,500
Repayment of short term borrowings	(27,500)	-
Payment of lease liabilities (refer note 45)	(79,039)	(69,397)
<b>Net cash flows (used in) financing activities</b>	<b>(146,795)</b>	<b>(105,538)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	<b>(12,244)</b>	<b>11,029</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>14,532</b>	<b>3,503</b>
<b>Cash and cash equivalents at the end of the year (refer note 14)</b>	<b>2,288</b>	<b>14,532</b>

<sup>(1)</sup> includes interest payment on deferred payment obligation forming part of long term borrowings



# STATEMENT OF CONSOLIDATED CASH FLOWS

for the year ended March 31, 2023

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

Particulars	Loans from banks and others including current maturities	Deferred payment obligations including current maturities	Changes in derivative liabilities (net)	Interest accrued but not due	Lease liabilities
<b>Balance as at April 1, 2021</b>	<b>230,715</b>	<b>1,572,388</b>	<b>440</b>	<b>63,952</b>	<b>214,099</b>
(i) Cash flow Items					
Net proceed/(repayment) of borrowings	(53,086)	(55)	-	-	-
Payment of Interest and finance charges	-	-	-	(27,997)	-
Payment of lease liabilities (refer note 45)	-	-	-	-	(69,397)
(ii) Non - cash items					
Exchange difference (net)	418	-	-	(418)	-
Finance cost (charged to profit and loss)	-	-	(338)	191,190	18,956
Upfront fees amortisation	(21)	-	-	21	-
Interest on asset retirement obligation	-	-	-	5	-
Interest related to other liabilities	-	-	-	(11,620)	-
Accrued interest on deferred payment obligation for spectrum and others transferred to borrowing on anniversary date	-	145,665	-	(145,665)	-
Addition towards Spectrum acquisition	-	13,153	-	137	-
Addition of lease liabilities (refer note 45)	-	-	-	-	73,889
Deletion of lease liabilities (refer note 45)	-	-	-	-	(9,113)
<b>As at March 31, 2022</b>	<b>178,026</b>	<b>1,731,151</b>	<b>102</b>	<b>69,605</b>	<b>228,434</b>
(i) Cash flow Items					
Net proceed/(repayment) of borrowings	(51,129)	(7)	-	-	-
Payment of Interest and finance charges	-	-	-	(20,940)	-
Payment of lease liabilities (refer note 45)	-	-	-	-	(79,039)
(ii) Non - cash items					
Exchange difference (net)	435	-	-	(435)	-
Finance cost (charged to profit and loss)	-	-	(91)	197,461	36,173
Upfront fees amortisation	(40)	-	-	40	-
Interest on asset retirement obligation	-	-	-	5	-
Interest related to other liabilities	-	-	-	(22,860)	-
Accrued interest on deferred payment obligation for spectrum and others transferred to borrowing on anniversary date	-	147,693	-	(147,693)	-
Addition towards Spectrum acquisition	-	171,063	-	4,876	-
Issue of equity shares (refer note 3)	-	(161,332)	-	-	-
Adjustment on account of settlement of financial liability (refer note 3)	-	-	-	(3,305)	-
Addition of lease liabilities (refer note 45)	-	-	-	-	186,844
Deletion of lease liabilities (refer note 45)	-	-	-	-	(10,612)
<b>As at March 31, 2023</b>	<b>127,292</b>	<b>1,888,568</b>	<b>11</b>	<b>76,754</b>	<b>361,800</b>

## 2. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

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

**Ravinder Takkar**

Non-Executive Chairman  
(DIN : 01719511)

**Himanshu Kapania**

Non-Executive Director  
(DIN : 03387441)

**Nilangshu Katriar**

Partner

Membership No.: 58814

**Akshaya Moondra**

Chief Executive Officer

**Murthy G.V.A.S.**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

Place: Mumbai

Date : May 25, 2023

# NOTES

forming part of the Consolidated Financial Statements

## 1. CORPORATE INFORMATION

Vodafone Idea Limited ('the Company'), a public limited company, was incorporated under the provisions of the Companies Act applicable in India on March 14, 1995. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (Scrip Code; NSE: IDEA, BSE: 532822). The registered office of the Company is situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar – 382011, Gujarat. The Company is one of the leading telecom service providers in India. The Company and its subsidiaries ("the Group") is engaged in the business of telecommunication services.

These consolidated financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on May 25, 2023.

## 2. (A) STATEMENT OF COMPLIANCE

These consolidated financial statements of the Company, its subsidiaries (the "Group"), joint venture 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 ₹ has been rounded off to million unless otherwise stated.

The Group has elected to present Profit/(Loss) before finance costs, depreciation, amortisation, share of profit of joint venture, exceptional items and tax as a separate line item on the face of the statement of profit and loss. In such

measurement, the company does not include finance costs, depreciation, amortisation, share of profit of joint venture, exceptional items and tax.

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

The consolidated financial statements have been consolidated in accordance with Ind AS 110, 'Consolidated Financial Statements'.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee and
- Has the ability to affect those returns through its power to direct the relevant activities of the investee.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than majority of voting or similar rights over an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Rights arising from other contractual arrangements
- Potential voting rights held by the Group

The consolidated financial statements of the group are prepared based on a line by line consolidation of the separate financial statements of the Company and its subsidiaries whereby the book values of like items of assets, liabilities, income, expenses and tax have been added after eliminating intra-group balances, transactions and resulting unrealised gains or losses.

Subsidiaries are consolidated from the date on which control is acquired by the group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet, respectively.

# NOTES

## forming part of the Consolidated Financial Statements

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.

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			March 31, 2023	March 31, 2022
1	Vodafone Idea Manpower Services Limited ('VIMSL')	Subsidiary	100.00	100.00
2	Vodafone Idea Telecom Infrastructure Limited ('VITIL')	Subsidiary	100.00	100.00
3	Vodafone Idea Business Services Limited ('VIBSL')	Subsidiary	100.00	100.00
4	Vodafone Idea Communication Systems Limited ('VICSL')	Subsidiary	100.00	100.00
5	Vodafone Foundation ('VF') (Registered under section 8 of Companies Act, 2013)	Subsidiary	100.00	100.00
6	Connect (India) Mobile Technologies Private Limited ('CIMTPL') (refer note 41(ix))	Subsidiary	-	100.00
7	Vodafone m-pesa Limited ('VMPL')	Subsidiary	100.00	100.00
8	Vodafone Idea Technology Solutions Limited ('VITSL')	Subsidiary	100.00	100.00
9	Vodafone Idea Shared Services Limited ('VISSL')	Subsidiary	100.00	100.00
10	You Broadband India Limited ('YBIL')	Subsidiary	100.00	100.00

The Financial Statements of the following associate and joint venture 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, 2023	March 31, 2022
1	Aditya Birla Idea Payments Bank Limited (ABIPBL) <sup>(1)</sup>	Associate	49.00	49.00
2	Firefly Networks Limited	Joint Venture <sup>(2)</sup>	50.00	50.00

<sup>(1)</sup> The Company is currently under liquidation.

<sup>(2)</sup> by virtue of joint venture agreement

## 2 (C) CHANGES IN OWNERSHIP INTERESTS

### - Subsidiaries

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

The subsidiaries are deconsolidated from the date the Group loses control on such subsidiaries. When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the

initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are reclassified to profit and loss on disposal of the related assets and liabilities.

### - Associates and Joint Arrangements

The Group ceases to equity account for an investment if it loses joint control or significant influence over such equity accounted investee. When the group ceases to equity account for an investee, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest in the investee. In addition, any amounts previously recognised in other comprehensive income in respect of that investee are accounted for as if the Group

## NOTES

### forming part of the Consolidated Financial Statements

had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit and loss where appropriate.

3. The Hon'ble Supreme Court on October 24, 2019 along with supplementary order dated July 20, 2019 and final order dated September 1, 2020 delivered its judgment (together referred to as "AGR Judgment") on the cross appeals against the Hon'ble TDSAT judgment dated April 23, 2015, relating to the definition of Adjusted Gross Revenue. The order upheld the principal demand, levy of interest, penalty and interest on penalty.

Subsequent to the same, on September 1, 2020, vide its judgment, the Hon'ble Supreme Court has inter-alia directed that Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021 and thereafter, Telecom Operators to make payment in Ten instalments commencing from April 1, 2021 to March 31, 2031, payable by 31<sup>st</sup> March of every succeeding financial year.

The Company had on August 10, 2021 filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application on correction of manifest / clerical / arithmetic errors in the computation of AGR demands which is still pending to be heard.

The Union Cabinet on September 15, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. Further to address liquidity requirements, the Cabinet has also approved deferment of AGR dues which are payable in annual instalments as determined by the Hon'ble Supreme Court for up to four years without any change in the instalment period and deferment of spectrum auction instalments payable from October 1, 2021 to September 30, 2025 excluding the instalments due for spectrum auction 2021. It also provided upfront conversion of the interest amount arising due to such deferment into equity. The Company has conveyed its acceptance on January 10, 2022 ("Exercise Date").

Further on March 31, 2022, DoT computed the Net Present value (NPV) of the interest liability on moratorium period amounting to ₹ 161,331 Mn towards AGR dues (as per Hon'ble SC affidavit dated September 01, 2020) and deferred annual Spectrum liabilities as on the Exercise Date, which

the Company has confirmed on April 14, 2022. DoT on June 15, 2022 offered a moratorium on pending AGR related dues up to Financial Year 2018-19 along with an option of equity conversion of interest liability pertaining to the moratorium period for this additional amounts. On June 29, 2022, Company conveyed its acceptance for the deferment of AGR related dues till financial year 2018-19. The above mentioned letter has a summary of additional AGR dues amounting to ₹ 88,372 Mn (including amounts for the period till FY 16-17 not forming part of the affidavit submitted to Supreme Court). DoT has mentioned that these are subject to further correction on account of disposal of various representations submitted by the Company, outcome of other pending litigations etc. and the undisputed amounts finally determined by December 31, 2025 shall be paid in six equal instalments post the moratorium period. In September 2022, the Company has also informed DoT on AGR dues (beyond affidavit period till FY 18-19) interest during the moratorium period shall not be converted in to equity.

The DoT, on February 03, 2023, issued an order under section 62(4) of the Companies Act, 2013 ("the Act"), directing the Company to issue equity shares against the loan of ₹ 161,332 Mn representing Net Present Value of the interest as at the Exercise Date as defined in equity conversion guidelines. On February 07, 2023 ("Date of conversion"), the Company's Board has allotted shares to the Government of India (GoI).

Consequent to the above, the Company has derecognised the loan liability of ₹ 161,332 Mn due to the issuance of 16,133,184,899 equity shares at an issue price of ₹ 10 each amounting to ₹ 161,332 Mn, and consequential adjustment of ₹ 3,305 Mn has been adjusted to Other equity.

Subsequent to such conversion, the promoter shareholding of Vodafone group and Aditya Birla group will stand at 50.4 % and GoI shareholding at 33.1%.

On April 5, 2023, the Company has filed affidavit with Hon'ble Supreme Court including the compliance letter stating that by acceptance of the deferment option and agreeing to moratorium of AGR dues for four years, it has complied with Court order dated September 1, 2020.

Accordingly, as at March 31, 2023, the net liability towards AGR dues arising out of Hon'ble Supreme Court judgment (till September 2019) amounting to ₹ 655,462 Mn (net of payment of ₹ 78,544 Mn) (including interest till March 31, 2023) is disclosed as deferred payment obligation under long term borrowings in the financial statements.

4. The Group has incurred a loss of ₹ 293,011 Mn for the year ended March 31, 2023. Its net worth stands at negative ₹ 743,591 Mn and the Net Working Capital (excluding short

## NOTES

### forming part of the Consolidated Financial Statements

term borrowings, future lease liability and certain accruals toward pending litigations) stands at negative ₹ 200,063 Mn.

As at March 31, 2023, the total debt (including interest accrued but not due) of the Group stands at ₹ 2,092,614 Mn. As at March 31, 2023, an amount of ₹ 39,271 Mn (March 31, 2022: ₹ 68,131 Mn) has been reclassified from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements. Further, as a result of earlier rating downgrade, certain lenders had asked for increase of interest rates and additional margin money/security against existing facilities. The Group has exchanged correspondences and continues to be in discussion with the lenders for next steps/waivers. The existing debt as payable by March 31, 2024 is ₹ 83,804 Mn (excluding amount classified as current on account of not meeting certain covenant clauses). As of date, the Group has met all its debt obligations payable to its lenders / banks and financial institutions along with applicable interest. The Company has utilized extended credit period to discharge some of its contractual obligations. Further, certain vendors have asked for payment of their overdue outstanding. The Company continues to be in discussion with them to agree to a payment plan.

The Group's ability to continue as a Going Concern is dependent on raising additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. Pending the outcome of the above matters, these consolidated 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 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



## NOTES

### forming part of the Consolidated Financial Statements

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 note 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 and incurs customer verification expenses. Such costs are deferred over the average expected customer life-cycle provided the estimated average customer life-cycle is higher than twelve months. The Company re-estimates the average customer life cycle on a periodic basis.

### b) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Company's lease asset classes primarily consist of leases for passive infrastructure for cell sites and immovable properties.

#### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment (Refer Note 5 (m)).

#### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as



## NOTES

### forming part of the Consolidated Financial Statements

expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification i.e. a change in the lease term or a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The re-measurement of lease liability is done by discounting the revised lease payments using the Group's incremental borrowing rate at the effective date of modification.

#### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### Group as a lessor

Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis

over the lease term. Contingent rents are recognised as income in the period in which they are earned.

The Group enters into agreements which entitle its customers the right to use of specified capacity of dark fibre / bandwidth capacity for a specific period of time. Under such arrangements, the rights to use the specified assets are given for a substantial part of the estimated useful life of such assets. The contracted price received upfront in advance is treated as deferred revenue and is recognised on a straight line basis over the agreement period.

#### c) Employee benefits

##### i. Defined Contribution Plan

Contributions to Provident and other funds are funded with the appropriate authorities and charged to the Consolidated Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

Contributions to Superannuation are funded with the Life Insurance Corporation of India and charged to the Consolidated Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

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

##### ii. Defined Benefit Plan

The Group has a defined benefit gratuity plan which is a combination of funded plan and unfunded plan. In case of funded plan, the Group makes contribution to a separately administered fund with the Insurance companies. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimation of the payments. Any deficit in plan assets managed by Insurance companies as compared to the liability based on an independent actuarial valuation is recognised as a liability. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated balance sheet with a corresponding charge or credit to Other

# NOTES

## forming part of the Consolidated Financial Statements

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 unit credit method at the reporting date. The related re-measurements are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

### iv. Share-based payments

Equity-settled share-based payments to employees for options granted by the Group to its employees are measured at the fair value of the equity instruments at the grant date.

Stock option of Vodafone Group Plc (VGPLC) granted to the employees of the Group are accounted as cash-settled share based payments by the Group.

The fair value determined at the grant date of the equity settled share-based payments is expensed over the period in which the performance or service conditions are fulfilled, based on the Group's estimate of stock options that will eventually vest, with a corresponding increase in equity. The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Group revises its estimate of the number of equity instruments

expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve or liability as applicable.

In respect of cancellation of unvested stock options, the amount already charged as share based payment expense is reversed under the same head in the Consolidated Statement of Profit and Loss. In respect of cancellation/ expiration of vested stock options, the amount already charged as share based payment expense is adjusted against Retained earnings in Other Equity.

In respect of modification such as re-pricing of existing stock option, the difference in fair value of the option on the date of re-pricing is accounted for as share based payment expense over the remaining vesting period.

## 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 (₹) which is also the Group's functional currency.

Transactions in foreign currencies are initially recorded at the ₹ spot rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised on net basis within finance cost in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

# NOTES

forming part of the Consolidated Financial Statements

## 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 venture, 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;

## NOTES

forming part of the Consolidated Financial Statements

- c) It is expected to be settled within twelve months after the reporting period; or
- d) The respective companies have no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

### i) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods, or for administrative purposes, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment, non-refundable duties and borrowing cost relating to qualifying assets. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land is not depreciated. Depreciation on all other assets under PPE commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.

Asset Retirement Obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. ARO is measured based on present value of expected cost to settle the obligation.

Particulars	Estimated useful life (in years)
Buildings	25 to 30
Leasehold Improvements	Period of lease or 10 years whichever is lower
Plant Machinery	
Network Equipments	7 to 9
Optical Fibre	15
Other Plant and Equipment	2 to 5
Computers and servers	3 to 5
Furniture and Fixtures	5 to 10
Office Equipments	3 to 5
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 Lease
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

## NOTES

### forming part of the Consolidated Financial Statements

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 the date when the related network is ready for intended use over the unexpired period of the spectrum.

- Cost of entry/license fees 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.
- 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 8 years (refer note 8(3)).

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.



## NOTES

forming part of the Consolidated Financial Statements

### 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 venture. 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 venture 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 venture.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint venture 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 associate and joint venture 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.



# NOTES

forming part of the Consolidated Financial Statements

## 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.

## 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 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.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

## i. Financial assets

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

### Subsequent measurement

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

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

## I. Financial assets measured at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

# NOTES

forming part of the Consolidated Financial Statements

EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

## II. Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated statement of profit and loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

### Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either
  - the Group has transferred substantially all the risks and rewards of the asset, or
  - 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 13.

## ii. Financial liabilities

### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

#### a. Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost

## NOTES

forming part of the Consolidated Financial Statements

using the EIR method. Gains and losses are recognised in the Consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated statement of profit and loss.

b. Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

### De-recognition

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

### iii. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to manage its foreign currency risks and interest rate risks, respectively. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency and interest exposures. Such derivative financial

instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair 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.

# NOTES

forming part of the Consolidated Financial Statements

## s) Fair value measurement

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

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

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

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

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

## t) Dividend distribution to equity holders

Dividends paid / payable along with applicable taxes are recognised when it is approved by the shareholders. In case of interim dividend, it is recognised when it is approved by the Board of Directors and distribution is no longer at the discretion of the Company. A corresponding amount is accordingly recognised directly in equity.

## u) Earnings per share

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

EPS is disclosed on basic and diluted basis. Basic EPS is computed by dividing the profit / (loss) for the period

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

## v) 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.

### iii. Onerous Contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the

## NOTES

### forming part of the Consolidated Financial Statements

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) 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 venture, 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.

#### x) New Amendments adopted during the year

##### i) Amendments to Ind AS

MCA vide notification no. G.S.R. 255(E) dated March 23, 2022 has issued Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends following Ind AS:

- Ind AS 103 Business Combinations
- Ind AS 109 Financial Instruments
- Ind AS 16 Property, Plant and Equipment
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 106 Exploration for and Evaluation of Mineral Resources

The amendments are applicable for annual periods beginning after April 1, 2022, however, these do not have material impact on the Financial Statements of the Company.

##### ii) Amendments to Ind AS issued but not yet effective

MCA vide notification no. G.S.R. 242(E) dated March 31, 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends following Ind AS:

- Ind AS 101 First Time Adoption of Indian Accounting Standards
- Ind AS 102 Shared based Payment
- Ind AS 12 Income Taxes
- Ind AS 107 Financial Instrument Disclosures
- Ind AS 103 Business Combinations
- Ind AS 109 Financial Instruments
- Ind AS 115 Revenue from Contracts with Customers
- Ind AS 1 Presentation of Financial Statements
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 34 Interim Financial Reporting



## NOTES

### forming part of the Consolidated Financial Statements

The amendments are applicable for annual periods beginning after April 1, 2023. The company has evaluated the amendments and the impact is not expected to be material.

## 6. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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

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

### Estimates and Assumptions

#### i. Taxes

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

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

Minimum alternative tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the respective companies will pay normal income tax and will be able to utilize such credit during

the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss and is included in Deferred Tax Assets. The respective companies review the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that respective companies will be able to absorb such credit during the specified period. Further details about taxes refer note 52 and 53.

#### ii. Defined benefit plans (gratuity and compensated absences benefits)

The Group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 51(A).

#### iii. Allowance for Trade receivable

For the purpose of measuring the expected credit loss for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively depending on their significance. Individual trade receivables are written off when management deems them not to be collectible on assessment of facts and circumstances. Refer note 13.



## NOTES

forming part of the Consolidated Financial Statements

### iv. Useful life of Property, Plant and Equipment and Intangible assets

The useful life to depreciate or amortise property, plant and equipment and Intangible assets respectively 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 or amortisation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation or amortisation of property, plant and equipment and Intangible assets respectively are reviewed by the management at each financial year end and adjusted prospectively over the remaining useful life.

### v. Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar

economic environment. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain specific estimates such as Group's credit rating.

### vi. Leases-Estimate of lease period

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

### vii. Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Evaluations of uncertain provisions and contingent liabilities and assets requires judgement and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts. Refer note 43 for further details about Contingent liabilities.

# NOTES

forming part of the Consolidated Financial Statements

## NOTE 7: PROPERTY, PLANT AND EQUIPMENT (INCLUDING ROU ASSETS)

									₹ Mn
Particulars	Freehold land <sup>^</sup>	Buildings <sup>^</sup>	Leasehold Improvement	Plant and machinery <sup>(3)</sup>	Furniture and fixtures	Office equipments	Vehicles	RoU Assets (refer note 45)	Total
<b>Cost</b>									
As at April 1, 2021	189	5,120	879	955,912	1,396	2,050	1,014	301,904	1,268,464
Additions	-	-	-	42,741	8	71	2	73,858	116,680
Disposals/Adjustments	-	-	(21)	(10,969)	(103)	(175)	(212)	(12,629)	(24,109)
As at March 31, 2022	189	5,120	858	987,684	1,301	1,946	804	363,133	1,361,035
Additions	-	-	1	28,620	49	140	-	186,844	215,654
Disposals/Adjustments	-	(3)	(18)	(9,392)	(30)	(136)	(93)	(13,511)	(23,183)
Assets reclassified as AHFS (refer note 41(viii))	-	-	-	-	-	-	-	(780)	(780)
As at March 31, 2023	189	5,117	841	1,006,912	1,320	1,950	711	535,686	1,552,726
<b>Accumulated Depreciation</b>									
As at April 1, 2021	-	926	731	552,693	1,246	1,878	868	134,418	692,760
Depreciation charge for the year	-	197	45	82,514	85	141	90	63,497	146,569
Disposals/Adjustments <sup>(2)</sup>	-	-	(20)	(10,343)	(89)	(172)	(191)	(3,806)	(14,621)
As at March 31, 2022	-	1,123	756	624,864	1,242	1,847	767	194,109	824,708
Depreciation charge for the year	-	197	39	79,976	27	119	32	62,194	142,584
Disposals/Adjustments <sup>(2)</sup>	-	(1)	(17)	(9,183)	(30)	(135)	(91)	(3,257)	(12,714)
Assets reclassified as AHFS (refer note 41(viii))	-	-	-	-	-	-	-	(63)	(63)
As at March 31, 2023	-	1,319	778	695,657	1,239	1,831	708	252,983	954,515
<b>Net Book Value</b>									
As at March 31, 2023	189	3,798	63	311,255	81	119	3	282,703	598,211
As at March 31, 2022	189	3,997	102	362,820	59	99	37	169,024	536,327

### Footnotes:

<sup>(1)</sup> Refer note 21(C) for assets pledged as securities towards funded and non-funded based facilities.

<sup>(2)</sup> Disposals / Adjustments include accelerated depreciation charge of ₹ Nil (March 31, 2022 : ₹ 137 Mn) on account of network re-alignment and integration cost and disclosed under exceptional items (refer note 40).

<sup>(3)</sup> 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, 2023 is ₹ 35,496 Mn, ₹ 22,955 Mn and 8 Mn (March 31, 2022 : ₹ 33,708 Mn, ₹ 25,262 Mn and ₹ 27 Mn) respectively.

<sup>^</sup> Include's certain immovable properties acquired as part of past mergers and acquisitions registered in the name of erstwhile companies.

### The following is ageing schedule of Capital work-in-progress :

₹ Mn

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023					
Projects in progress	2,865	84	2	52	3,003
Total	2,865	84	2	52	3,003
As at March 31, 2022					
Projects in progress	3,127	60	-	52	3,239
Total	3,127	60	-	52	3,239

Note - Project in Progress are reviewed by the management on regular basis and deployed as per business requirement.

# NOTES

forming part of the Consolidated Financial Statements

## NOTE 8: INTANGIBLE ASSETS

				₹ Mn
Particulars	Entry / license fees and spectrum	Brand	Computer - Software	Total
<b>Cost</b>				
<b>As at April 1, 2021</b>	<b>1,528,795</b>	<b>26,225</b>	<b>24,502</b>	<b>1,579,522</b>
Additions	20,071	-	1,862	21,933
Disposals/Adjustments	(18,421)	-	(4)	(18,425)
<b>As at March 31, 2022</b>	<b>1,530,445</b>	<b>26,225</b>	<b>26,360</b>	<b>1,583,030</b>
Additions	17,348	-	3,047	20,395
Disposals/Adjustments	-	-	(183)	(183)
<b>As at March 31, 2023</b>	<b>1,547,793</b>	<b>26,225</b>	<b>29,224</b>	<b>1,603,242</b>
<b>Accumulated Amortisation</b>				
<b>As at April 1, 2021</b>	<b>448,215</b>	<b>12,300</b>	<b>19,807</b>	<b>480,322</b>
Amortisation charge for the year	84,377	1,901	2,996	89,274
Disposals/Adjustments	(18,421)	-	(4)	(18,425)
<b>As at March 31, 2022</b>	<b>514,171</b>	<b>14,201</b>	<b>22,799</b>	<b>551,171</b>
Amortisation charge for the year	82,245	2,774	2,894	87,913
Disposals/Adjustments	-	-	(183)	(183)
<b>As at March 31, 2023</b>	<b>596,416</b>	<b>16,975</b>	<b>25,510</b>	<b>638,901</b>
<b>Net Book Value</b>				
<b>As at March 31, 2023</b>	<b>951,377</b>	<b>9,250</b>	<b>3,714</b>	<b>964,341</b>
<b>As at March 31, 2022</b>	<b>1,016,274</b>	<b>12,024</b>	<b>3,561</b>	<b>1,031,859</b>

### Footnotes:

- (1) Refer note 21(C) for assets pledged as securities towards funded and non-funded facilities.
- (2) As at March 31, 2023, Entry / license fee and spectrum gross block ₹ 28,162 Mn and Net block ₹ 6,774 Mn range from 0.9 years to 4.4 years and Entry / license fee and spectrum gross block ₹ 1,519,631 Mn and Net block ₹ 944,604 Mn range from 7 years to 19.38 years. As at March 31, 2022, Entry / license fee and spectrum gross block ₹ 28,162 Mn and Net block ₹ 11,253 Mn range from 1.9 years to 5.4 years and Entry / license fee and spectrum gross block ₹ 1,502,283 Mn and Net block ₹ 1,005,021 Mn range from 8 years to 19.5 years.
- (3) During the year, the company has reassessed the estimated useful life of Vodafone brand and accordingly, revised it from 10 years to 8 years and taken an additional amortisation charge of ₹ 866 Mn.

The following is ageing schedule of Intangible assets under development :

					₹ Mn
Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
Projects in progress <sup>(1)</sup>	175,761	-	-	-	175,761
<b>Total</b>	<b>175,761</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,761</b>
<b>As at March 31, 2022</b>					
Projects in progress	375	29	-	-	404
<b>Total</b>	<b>375</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>404</b>

(1) Includes item referred in 41(v)

(2) Project in Progress are reviewed by the management on regular basis and deployed as per business requirement.

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 9: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investment (Unquoted)</b>		
<b>Investments in Equity Instruments of Associate</b>		
Aditya Birla Idea Payments Bank Limited (ABIPBL) 278,793,750 fully paid equity shares of ₹ 10 each	2,788	2,788
Add: Group's share of loss of ABIPBL	(1,192)	(1,192)
Less: Impairment provision	(1,596)	(1,596)
<b>Total investment in associate (A)</b>	<b>-</b>	<b>-</b>
<b>Investments in Equity Instruments of Joint Venture</b>		
Firefly Networks Limited ('FNL') 1,000,000 fully paid equity shares of ₹ 10 each	10	10
Add: Group's share of profit of FNL	48	43
<b>Total investment in joint venture (B)</b>	<b>58</b>	<b>53</b>
<b>Other Investments (FVTPL)</b>		
Equity instruments	-*	-*
<b>Total other investments (C)</b>	<b>-*</b>	<b>-*</b>
<b>Total (A+B+C)</b>	<b>58</b>	<b>53</b>

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

### NOTE 10: OTHER NON-CURRENT FINANCIAL ASSETS

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with body corporate and others (includes amount referred in Note 55)		
- Considered Good	5,787	6,058
- Considered Doubtful	300	281
Deposits and balances with government authorities		
- Considered Good	302	356
- Considered Doubtful	726	692
Interest receivable	12	9
Margin money deposits	1,191	865
Settlement Asset (refer note 41(vi))	81,209	81,204
	<b>89,527</b>	<b>89,465</b>
Allowance for doubtful advances (refer note 47)	(1,026)	(973)
<b>Total</b>	<b>88,501</b>	<b>88,492</b>

# NOTES

forming part of the Consolidated Financial Statements

## NOTE 11: OTHER NON-CURRENT ASSETS

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances		
- Considered Good	19	89
- Considered Doubtful	42	33
Prepaid expenses	319	377
Advance income tax (Net)	33,961	39,943
GST recoverable		
- Considered Good	-*	176
- Considered Doubtful	55	55
Costs to obtain a contract with the customer (refer note 44)	8,663	10,593
Others (consisting mainly deposit against demands which are appealed against / subjudice)		
- Considered Good	60,426	60,324
- Considered Doubtful	1,406	1,408
	<b>104,891</b>	<b>112,998</b>
Allowance for doubtful advances (refer note 47)	(1,503)	(1,496)
<b>Total</b>	<b>103,388</b>	<b>111,502</b>

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

## NOTE 12: INVENTORIES

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
Trading Goods	163	23
<b>Total</b>	<b>163</b>	<b>23</b>

## NOTE 13: TRADE RECEIVABLES (UNSECURED, UNLESS OTHERWISE STATED) (INCLUDES AMOUNT REFERRED IN NOTE 55)

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
Billed Receivable - Considered good	26,018	29,138
Billed Receivable - Credit impaired	1,246	1,227
Allowance for doubtful debts (refer note 47)	(10,732)	(10,801)
	<b>16,532</b>	<b>19,564</b>
Unbilled Receivables - Considered good	5,128	5,044
Allowance for doubtful debts (refer note 47)	(20)	(169)
	<b>5,108</b>	<b>4,875</b>
<b>Total</b>	<b>21,640</b>	<b>24,439</b>

Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 202 Mn (March 31, 2022 : ₹ 243 Mn)

# NOTES

forming part of the Consolidated Financial Statements

The following is ageing schedule of trade receivables :

₹ Mn

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023						
Trade Receivables - Billed						
(i) Undisputed Trade receivables - considered good	14,200	3,148	2,583	1,401	4,404	25,736
(ii) Undisputed Trade Receivables – credit impaired	1	-	1	-	1,244	1,246
(iii) Disputed Trade receivables - considered good	-	-	-	-	282	282
	14,201	3,148	2,584	1,401	5,930	27,264
Less : Allowance for doubtful trade receivables - Billed						(10,732)
						16,532
Trade receivables - Unbilled						5,128
Less : Allowance for doubtful trade receivables - Unbilled						(20)
						5,108
Total						21,640
As at March 31, 2022						
Trade Receivables - Billed						
(i) Undisputed Trade receivables - considered good	16,634	1,874	3,696	3,394	3,258	28,856
(ii) Undisputed Trade Receivables – credit impaired	1	1	-	-	1,225	1,227
(iii) Disputed Trade receivables - considered good	-	-	-	-	282	282
	16,635	1,875	3,696	3,394	4,765	30,365
Less : Allowance for doubtful trade receivables - Billed						(10,801)
						19,564
Trade receivables - Unbilled						5,044
Less : Allowance for doubtful trade receivables - Unbilled						(169)
						4,875
Total						24,439

## NOTE 14: CASH AND CASH EQUIVALENTS

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	2,099	14,141
- In deposit accounts (having maturity less than 3 months)	18	291
Cheques on hand	155	68
Cash on hand	16	32
<b>Total</b>	<b>2,288</b>	<b>14,532</b>



# NOTES

forming part of the Consolidated Financial Statements

## NOTE 15: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
Margin money deposits <sup>(1)</sup>	5,535	19,703
Fixed deposits with banks having maturity of 3 to 12 months	59	57
Earmarked bank balance towards dividend	1	2
Earmarked balances <sup>(2)</sup>	485	489
Held in escrow account <sup>(3)</sup>	186	183
<b>Total</b>	<b>6,266</b>	<b>20,434</b>

<sup>(1)</sup> Includes fixed deposit of ₹ 2,103 Mn (March 31, 2022: ₹ 4,274 Mn) having maturity of 3 to 12 months held with banks as margin money deposit against bank guarantees and letter of credits issued by banks for a period ranging from 1 to 5 years (March 31, 2022: 1 to 7 years)

<sup>(2)</sup> Contribution received by Vodafone Foundation towards CSR activities.

<sup>(3)</sup> Represents cash received from participating merchant establishments and customers in accordance with the Reserve Bank of India guidelines. The balance can only be used for the purpose of making payment to participating merchants and other permitted payments.

## NOTE 16: OTHER CURRENT FINANCIAL ASSETS

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
Interest Receivable	100	437
Deposits with body corporate and others	3	7
Deposits and balances with government authorities	2	23
Derivative assets at fair value through profit or loss	15	-
Other receivables (includes amount referred in note 55)	274	289
<b>Total</b>	<b>394</b>	<b>756</b>

## NOTE 17: OTHER CURRENT ASSETS

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
GST recoverable		
- Considered Good	85,560	88,267
- Considered Doubtful	850	820
Prepaid expenses	1,295	1,804
Costs to obtain a contract with the customer (refer note 44)	20,404	11,511
Others		
- Considered Good (includes amount referred in note 51)	526	558
- Considered Doubtful	551	637
	109,186	103,597
Allowance for doubtful advances (refer note 47)	(1,401)	(1,457)
<b>Total</b>	<b>107,785</b>	<b>102,140</b>

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 18: ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
Leasehold land (refer note 41(viii))	493	-
<b>Total</b>	<b>493</b>	<b>-</b>

### NOTE 19: EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	Amount	Numbers	Amount
<b>EQUITY SHARE CAPITAL</b>				
Authorised share capital				
Equity Shares of ₹ 10 each	70,000,000,000	700,000	70,000,000,000	700,000
Preference shares of ₹ 10 each	5,000,000,000	50,000	5,000,000,000	50,000
	<b>75,000,000,000</b>	<b>750,000</b>	<b>75,000,000,000</b>	<b>750,000</b>
<b>Issued, subscribed and paid-up share capital</b>				
Equity Shares of ₹ 10 each fully paid up	48,679,689,205	486,797	32,118,847,885	321,188
	<b>48,679,689,205</b>	<b>486,797</b>	<b>32,118,847,885</b>	<b>321,188</b>

#### (a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	32,118,847,885	321,188	28,735,389,240	287,354
Issue of shares on preferential basis (refer note 41(ii))	-	-	3,383,458,645	33,834
Issue of share pursuant to conversion of convertible share warrants (refer note 41(iii))	427,656,421	4,277	-	-
Issue of shares to Government of India (refer note 3)	16,133,184,899	161,332	-	-
Equity shares outstanding at the end of the year	48,679,689,205	486,797	32,118,847,885	321,188

#### (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.

## NOTES

forming part of the Consolidated Financial Statements

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

₹ Mn

Name of the shareholders	As at March 31, 2023		As at March 31, 2022	
	Numbers	% holding in the class	Numbers	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b>				
Department of Investment and Public Asset Management (Government of India)	16,133,184,899	33.14%	-	-
Euro Pacific Securities Limited	5,593,277,865	11.49%	5,165,621,444	16.08%
Grasim Industries Limited	3,317,566,167	6.82%	3,317,566,167	10.33%
Oriana Investments PTE Ltd	2,993,171,886	6.15%	2,993,171,886	9.32%
Prime Metals Limited	2,756,484,727	5.66%	2,756,484,727	8.58%
Mobilvest	1,675,994,466	3.44%	1,675,994,466	5.22%
Vodafone Telecommunications (India) Limited	1,624,511,788	3.34%	1,624,511,788	5.06%

### (d) Details of promoters holding shares in the Company

₹ Mn

Name of the promoters	As at March 31, 2023			As at March 31, 2022		
	Numbers	% holding in the class	% change during the year	Numbers	% holding in the class	% change during the year
<b>Equity shares of ₹ 10 each fully paid</b>						
Euro Pacific Securities Ltd	5,593,277,865	11.49%	-4.59%	5,165,621,444	16.08%	4.95%
Grasim Industries Limited	3,317,566,167	6.82%	-3.51%	3,317,566,167	10.33%	-1.22%
Oriana Investments PTE LTD	2,993,171,886	6.15%	-3.17%	2,993,171,886	9.32%	1.85%
Prime Metals Ltd	2,756,484,727	5.66%	-2.92%	2,756,484,727	8.58%	0.98%
Mobilvest	1,675,994,466	3.44%	-1.78%	1,675,994,466	5.22%	-0.61%
Vodafone Telecommunications (India) Limited	1,624,511,788	3.34%	-1.72%	1,624,511,788	5.06%	-0.60%
Trans Crystal Ltd	1,461,143,311	3.00%	-1.55%	1,461,143,311	4.55%	-0.54%
Asian Telecommunications Investments (Mauritius) Limited	980,469,868	2.01%	-1.04%	980,469,868	3.05%	-0.36%
Elaine Investments PTE LTD	861,128,643	1.77%	-0.91%	861,128,643	2.68%	-0.32%
Al - Amin Investments Ltd.	812,744,186	1.67%	-0.86%	812,744,186	2.53%	-0.30%
Hindalco Industries Ltd.	751,119,164	1.54%	-0.80%	751,119,164	2.34%	-0.28%
CC II Mauritius INC	446,059,752	0.92%	-0.47%	446,059,752	1.39%	-0.16%
IGH Holdings Private Limited	407,528,454	0.84%	-0.43%	407,528,454	1.27%	-0.15%
Birla TMT Holdings Private Limited	353,798,538	0.73%	-0.37%	353,798,538	1.10%	-0.13%
Omega Telecom Holdings Private Limited	279,017,784	0.57%	-0.30%	279,017,784	0.87%	-0.10%
Pilani Investment And Industries Corporation Limited	109,028,530	0.22%	-0.12%	109,028,530	0.34%	-0.04%
Usha Martin Telematics Limited	91,123,113	0.19%	-0.10%	91,123,113	0.28%	-0.03%
Mr. Kumar Mangalam Birla	864,906	0.00%	0.00%	864,906	0.00%	0.00%
<b>Total</b>	<b>24,515,033,148</b>	<b>50.36%</b>	<b>-24.63%</b>	<b>24,087,376,727</b>	<b>74.99%</b>	<b>2.95%</b>

### (e) 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 Consolidated Financial Statements

## NOTE 20: OTHER EQUITY

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
<b>(i) Capital reserve<sup>(1)</sup></b>		
Opening balance	(88,460)	(88,460)
Change during the year	-	-
<b>Closing balance (A)</b>	<b>(88,460)</b>	<b>(88,460)</b>
<b>(ii) Capital reduction reserve<sup>(2)</sup></b>		
Opening balance	277,787	277,787
Change during the year	-	-
<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	1,095,861	1,084,698
Allotment of Equity Share Capital (net of issue expense of ₹ 42 Mn (March 31, 2022 : ₹ 3 Mn)) (refer note 41(ii) and 41(iii))	43	11,163
<b>Closing balance (D)</b>	<b>1,095,904</b>	<b>1,095,861</b>
<b>(v) Amalgamation adjustment deficit account<sup>(4)</sup></b>		
Opening balance	(488,444)	(488,444)
Change during the year	-	-
<b>Closing balance (E)</b>	<b>(488,444)</b>	<b>(488,444)</b>
<b>(vi) General Reserve<sup>(5)</sup></b>		
Opening balance	1,562	1,562
Change during the year	-	-
<b>Closing balance (F)</b>	<b>1,562</b>	<b>1,562</b>
<b>(vii) Retained Earnings</b>		
Opening balance	(1,743,600)	(1,461,546)
Profit/(Loss) for the year	(293,011)	(282,454)
Other Comprehensive Income/(loss) recognised directly in retained earnings	111	89
Share-based payments expenses (refer note 50)	12	311
Adjustment on account of settlement of financial liability (refer note 3)	3,305	-
<b>Closing balance (G)</b>	<b>(2,033,183)</b>	<b>(1,743,600)</b>

## NOTES

forming part of the Consolidated Financial Statements

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
<b>(viii) Employee stock options reserve</b>		
Opening balance	50	361
Share-based payments expenses (refer note 50)	(12)	(311)
<b>Closing balance (H)</b>	<b>38</b>	<b>50</b>
<b>(ix) Convertible Share Warrants</b>		
Opening balance	-	-
Issue of convertible share warrants (refer note 41(iii))	4,362	-
Conversion of convertible share warrants into equity shares (refer note 41(iii))	(4,362)	-
<b>Closing balance (I)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C+D+E+F+G+H+I)</b>	<b>(1,230,388)</b>	<b>(940,836)</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 erstwhile Vodafone India Limited ("VInL") in earlier years, settlement liability created on merger of erstwhile VInL and erstwhile Vodafone Mobile Services Limited ("VMSL") with the Company and impacts pursuant to merger of Aditya Birla Telecom Limited ("ABTL") with the Company.

(2) Capital reduction reserve was created by VInL on distribution of VInL's share in Indus Towers Limited to shareholders of VInL in accordance with capital reduction scheme. This reserve is not available for distribution as dividend.

(3) The Company has incurred losses during the current /previous year. Accordingly, the Company is not required to create any further DRR as per the Act and hence no DRR has been created during the year ended March 31, 2023 and March 31, 2022.

(4) The Company has accounted for the merger of VInL and VMSL with the Company under 'pooling of interest' method. Consequently, investment of VInL in VMSL, share capital of VInL and VMSL has been cancelled. The difference between the face value of shares issued by the Company and the value of shares and investment so cancelled has been recognized in Amalgamation Adjustment Deficit Account of ₹ (488,408) Mn. Also pursuant to merger of Idea Telesystems Limited ("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. From utilisation perspective, this is an unrestricted reserve.

(5) Includes ₹ 1,393 Mn not available for distribution as dividend.

### NOTE 21 (A): LOANS FROM BANKS AND OTHERS

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
<b>Term Loans</b>		
- Rupee loan from banks	1,351	13,103
<b>Total Secured loans (A)</b>	<b>1,351</b>	<b>13,103</b>
<b>Unsecured Loans</b>		
<b>Redeemable Non-Convertible Debentures (NCDs)</b>	-	14,954
<b>Optionally Convertible Debentures (OCDs) (refer note 41(iv))</b>	8,000	-
<b>Term Loans</b>		
- Rupee loan from Others	-	306
<b>Total Unsecured Loans (B)</b>	<b>8,000</b>	<b>15,260</b>
<b>Total (A+B)</b>	<b>9,351</b>	<b>28,363</b>

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 21 (B): DEFERRED PAYMENT OBLIGATIONS (UNSECURED)

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
Deferred Payment obligation towards Spectrum	1,228,085	1,071,602
Deferred Payment obligation pursuant to AGR judgment (refer note 3)	655,462	659,534
Deferred Payment Others	3	9
<b>Total</b>	<b>1,883,550</b>	<b>1,731,145</b>

### (C) (i) Security clause

Type of Borrowing	Outstanding Secured Loan Amount		Security Offered
	As at March 31, 2023	As at March 31, 2022	
Rupee Loan	9,950	9,950	First Ranking pari passu charge on movable fixed assets of the company excluding <sup>(1)</sup> : a) Spectrum and Telecom licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive telecom infrastructure
Rupee Loan	52,771	66,271	First Ranking pari passu charge on all the movable assets (including current/non current assets), immovable assets and intangible assets of the Company excluding <sup>(1)</sup> : a) Spectrum and Telecom Licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive Telecom Infrastructure
Rupee Loan	3,182	5,000	First Ranking pari passu charge (to be created) on all the movable assets and current assets of the Company excluding: a) Spectrum and Telecom Licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive Telecom Infrastructure d) Cash margin provided against specific facility (present or future)
Rupee Loan	-	22,500	a) a First Ranking exclusive charge by way of hypothecation over all the Fiber Assets owned by one of the Group company (VITIL), the Current Assets in relation to such Fiber Assets and IRU Agreements entered into between VITIL and counter parties; b) an irrevocable and unconditional guarantee by VITIL by way of a Deed of Corporate Guarantee; c) a First Ranking exclusive mortgage of an Immoveable Property situated at Jaipur, by way of deposit of title deeds. d) Extension of Fixed deposits upto ₹ 10,000 Mn out of cash margin given to SBI
Rupee Loan	14,824	-	a) Extension of exclusive first charge by way of hypothecation over the entire Fiber assets owned by one of the Group Company (VITIL), the Current Assets in relation to such Fiber Assets and IRU Agreements entered into between VITIL and counter parties; b) an irrevocable and unconditional guarantee by VITIL by way of a Deed of Corporate Guarantee c) Extension of exclusive charge by way of mortgage of an Immoveable Property situated at Jaipur, by way of deposit of title deeds; d) Extension of exclusive charge on Fixed Deposit of ₹ 2,200 Mn out of cash margin given to SBI.
<b>Sub-Total</b>	<b>80,727</b>	<b>103,721</b>	
Unamortised upfront fees	(105)	(46)	
<b>Total</b>	<b>80,622</b>	<b>103,675</b>	

<sup>(1)</sup> Security offered does not cover properties / assets acquired pursuant to amalgamation of ViNl and VMSL with the Company, RoU assets and PPE to which the title will be transferred to the company on payment. (refer note 7(3)).



## NOTES

### forming part of the Consolidated Financial Statements

(C) (ii) The Company has also provided charge against certain assets excluding ROU assets and PPE to which the title will be transferred to the company on final payment (refer note 7(3)) for availing non-fund based facility towards bank guarantees/letter of credit including guarantee to DoT with respect to deferred payment obligation 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
Bank Guarantee and Letter of Credit	20,000	20,000	-	16,025	First Ranking 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
	26,250	24,250	4,959	19,908	Second Ranking pari passu charge on movable (including CWIP) and current assets of the Company <sup>(1)</sup>
	90,900	97,500	40,507	78,366	Second Ranking 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	319	319	Second Ranking pari passu charge on movable (including CWIP) assets of the Company <sup>(1)</sup>
	41,500	41,500	9,646	29,658	First Ranking 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
	21,500	21,500	1,597	16,147	(i) First Ranking 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 (ii) Charge on Fixed Deposit of ₹ 722 Mn
	19,350	19,350	-	19,346	a) a first ranking pari passu charge by way of hypothecation over all the Fiber Assets owned by one of the Group company (VITIL), the Current Assets in relation to such Fiber Assets and IRU Agreements entered into between VITIL and counter parties; b) an irrevocable and unconditional guarantee by VITIL by way of a Deed of Corporate Guarantee; and c) a first ranking pari passu mortgage of an Immovable Property situated at Jaipur, by way of deposit of title deeds. d) Charge on fixed deposit of ₹ 1,935 Mn
	5,142	5,142	445	4,839	(i) First Ranking 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 (ii) Charge on fixed deposit of ₹ 363 Mn
	10,000	10,000	1,341	8,133	Charge on fixed deposit upto ₹ 10,000 Mn
	<b>237,642</b>	<b>242,242</b>	<b>58,814</b>	<b>192,741</b>	

Note: Apart from this, the Company also has unsecured bank guarantees and letter of credits of ₹ 2,948 Mn. (March 31, 2022: ₹ 30,031 Mn.)

<sup>(1)</sup> Security offered does not cover properties / assets acquired pursuant to amalgamation of VMSL and VinL with the Company.

## NOTES

forming part of the Consolidated Financial Statements

### (D) REPAYMENT TERMS OF LOANS FROM BANKS AND OTHERS AS ON MARCH 31, 2023

₹ Mn

Type of Borrowing	Current maturities of loans from banks and others	Loans from banks and others excluding current maturities	Short term Loans from banks and others excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>					
a) Rupee Loan <sup>(1)</sup>	31,875	-	-	31,875	a) Repayable in 5 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2023 b) Repayable in 8 equal quarterly installments of 5% each of the total drawn amount starting September, 2024 c) Repayable in 2 equal quarterly installments of 2.5% each of the total drawn amount starting September, 2026
b) Rupee Loan	9,950	-	-	9,950	Repayable in February, 2024
c) Rupee Loan <sup>(1)</sup>	19,500	-	-	19,500	Repayable in 13 equal quarterly installments starting June, 2023
d) Rupee Loan <sup>(1)</sup>	1,396	-	-	1,396	Repayable in June, 2026
e) Rupee Loan	-	-	14,824	14,824	Repayable in an installment of ₹ 2,500 Mn in May, 2023 and balance repayable in August, 2023
f) Rupee Loan	1,818	1,364	-	3,182	Repayable in 7 equal quarterly installments starting from June, 2023
<b>Sub-Total</b>	<b>64,539</b>	<b>1,364</b>	<b>14,824</b>	<b>80,727</b>	
Unamortised upfront fees	(16)	(13)	(76)	(105)	
<b>Sub-Total (A)</b>	<b>64,523</b>	<b>1,351</b>	<b>14,748</b>	<b>80,622</b>	
<b>(ii) Unsecured Loans</b>					
a) Foreign currency Loan <sup>(1)</sup>	389	-	-	389	Repayable in April, 2023
b) Rupee Term Loan <sup>(1)</sup>	10,000	-	-	10,000	Repayable in June, 2023
c) Rupee Term Loan <sup>(1)</sup>	5,000	-	-	5,000	Repayable in 2 equal quarterly installments starting April, 2023
d) Rupee Term Loan	306	-	-	306	Repayable in 2 half yearly installments starting from June, 2023
e) 10.90% Redeemable Non Convertible Debentures	15,000	-	-	15,000	Repayable in September, 2023
f) 11.20% Optionally Convertible Debentures	8,000	8,000	-	16,000	Refer note 41(iv)
<b>Sub-Total</b>	<b>38,695</b>	<b>8,000</b>	<b>-</b>	<b>46,695</b>	
Unamortised upfront fees	(25)	-	-	(25)	
<b>Sub-Total (B)</b>	<b>38,670</b>	<b>8,000</b>	<b>-</b>	<b>46,670</b>	
<b>Grand Total (A+B)</b>	<b>103,193</b>	<b>9,351</b>	<b>14,748</b>	<b>127,292</b>	

# NOTES

forming part of the Consolidated Financial Statements

## (D) REPAYMENT TERMS OF LOANS FROM BANKS AND OTHERS AS ON MARCH 31, 2022

₹ Mn

Type of Borrowing	Current maturities of loans from banks and others	Loans from banks and others excluding current maturities	Short term Loans from banks and others excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>					
a) Rupee Loan <sup>(1)</sup>	39,375	-	-	39,375	a) Repayable in 9 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2022 b) Repayable in 8 equal quarterly installments of 5% each of the total drawn amount starting September, 2024 c) Repayable in 2 equal quarterly installments of 2.5% each of the total drawn amount starting September, 2026
b) Rupee Loan	-	9,950	-	9,950	Repayable in February, 2024
c) Rupee Loan <sup>(1)</sup>	25,500	-	-	25,500	Repayable in 17 equal quarterly installments starting June, 2022
d) Rupee Loan <sup>(1)</sup>	1,396	-	-	1,396	Repayable in June, 2026
e) Rupee Loan <sup>(2)</sup>	-	-	22,500	22,500	Repayable in June, 2022
f) Rupee Loan	1,818	3,182	-	5,000	Repayable in 11 quarterly equal installments starting from June, 2022
<b>Sub-Total</b>	<b>68,089</b>	<b>13,132</b>	<b>22,500</b>	<b>103,721</b>	
Unamortised upfront fees	(17)	(29)	-	(46)	
<b>Sub-Total (A)</b>	<b>68,072</b>	<b>13,103</b>	<b>22,500</b>	<b>103,675</b>	
<b>(ii) Unsecured Loans</b>					
a) Foreign currency Loan <sup>(1)</sup>	1,077	-	-	1,077	Repayable in 3 equal half yearly installments starting April, 2022
b) Foreign currency Loan <sup>(1)</sup>	3,813	-	-	3,813	Repayable in June 2022
c) Foreign currency Loan <sup>(1)</sup>	3,919	-	-	3,919	Repayable in July 2022
d) Rupee Term Loan <sup>(1)</sup>	40,000	-	-	40,000	Repayable in 4 equal quarterly installments starting September, 2022
e) Rupee Term Loan <sup>(1)</sup>	10,000	-	-	10,000	Repayable in 4 equal quarterly installments starting October 2022
f) Rupee Term Loan	282	306	-	588	Repayable in Half yearly installments starting from March, 2022 to December, 2023
k) 10.90% Redeemable Non Convertible Debentures	-	15,000	-	15,000	Repayable in September, 2023
<b>Sub-Total</b>	<b>59,091</b>	<b>15,306</b>	<b>-</b>	<b>74,397</b>	
Unamortised upfront fees	-	(46)	-	(46)	
<b>Sub-Total (B)</b>	<b>59,091</b>	<b>15,260</b>	<b>-</b>	<b>74,351</b>	
<b>Grand Total (A+B)</b>	<b>127,163</b>	<b>28,363</b>	<b>22,500</b>	<b>178,026</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, 2023 was ₹ 68,160 Mn (March 31, 2022 ₹ 125,080 Mn). Accordingly, as at March 31, 2023 loans amounting to ₹ 39,271 Mn (March 31, 2022 ₹ 68,131 Mn) has been re-classified from non-current borrowings to current maturities of long term debt. As on the reporting date, none of the banks have approached for early repayment.

<sup>(2)</sup> Periodic reports / statements submitted by the Company to the banks as required are in agreement with the audited / unaudited books of accounts of the Company.

## NOTES

forming part of the Consolidated Financial Statements

### (E) REPAYMENT TERMS OF DEFERRED PAYMENT OBLIGATIONS AS ON MARCH 31, 2023

₹ Mn

Type of Borrowing	Current maturities of deferred payment obligations	Deferred payment obligations excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Deferred Payment Liability (DPL) towards spectrum acquired in (refer note 3)</b>				
a) November - 2012 auctions	-	12,714	12,714	Repayable in 6 equal annual installments starting December, 2025
b) February - 2014 auctions	-	250,008	250,008	Repayable in 7 equal annual installments starting March, 2026 / September, 2026
c) March - 2015 auctions	-	555,208	555,208	Repayable in 8 equal annual installments starting April, 2026 / Repayable in 7 equal annual installments starting September, 2026
d) October - 2016 auctions	-	228,963	228,963	Repayable in 10 equal annual installments starting October, 2025
e) March - 2021 auctions	529	14,614	15,143	Repayable in 16 equal annual installments starting March, 2024
f) August - 2022 auctions (refer note 41(v))	4,483	166,578	171,061	Repayable in 19 equal annual installments starting from August 2023
<b>Sub-Total (A)</b>	<b>5,012</b>	<b>1,228,085</b>	<b>1,233,097</b>	
<b>(ii) Deferred Payment obligation pursuant to AGR judgment (refer note 3) (B)</b>	-	<b>655,462</b>	<b>655,462</b>	Repayable in 6 equal annual installments starting March, 2026
<b>(iii) Deferred Payment Others (C)</b>	<b>6</b>	<b>3</b>	<b>9</b>	Repayable in monthly installment starting April, 2023
<b>Grand Total (A+B+C)</b>	<b>5,018</b>	<b>1,883,550</b>	<b>1,888,568</b>	

### (E) REPAYMENT TERMS OF DEFERRED PAYMENT OBLIGATIONS AS ON MARCH 31, 2022

₹ Mn

Type of Borrowing	Current maturities of deferred payment obligations	Deferred payment obligations excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Deferred Payment Liability (DPL) towards spectrum acquired in (refer note 3)</b>				
a) November - 2012 auctions	-	12,997	12,997	Repayable in 6 equal annual installments starting December, 2025
b) February - 2014 auctions	-	254,119	254,119	Repayable in 7 equal annual installments starting March, 2026 / September, 2026
c) March - 2015 auctions	-	561,308	561,308	Repayable in 8 equal annual installments starting April, 2026 / Repayable in 7 equal annual installments starting September, 2026
d) October - 2016 auctions	-	229,065	229,065	Repayable in 10 equal annual installments starting October, 2025
e) March - 2021 auctions	-	14,113	14,113	Repayable in 16 equal annual installments starting March, 2024
<b>Sub-Total (A)</b>	-	<b>1,071,602</b>	<b>1,071,602</b>	
<b>(ii) Deferred Payment obligation pursuant to AGR judgment (refer note 3) (B)</b>	-	<b>659,534</b>	<b>659,534</b>	Repayable in 6 equal annual installments starting March, 2026
<b>(iii) Deferred Payment Others (C)</b>	<b>6</b>	<b>9</b>	<b>15</b>	Repayable in monthly installment starting April, 2022
<b>Grand Total (A+B+C)</b>	<b>6</b>	<b>1,731,145</b>	<b>1,731,151</b>	

## NOTES

forming part of the Consolidated Financial Statements

(F) Interest rate for Rupee Term Loan ranges from 8.81% to 12.15% (March 31, 2022: from 8.53% to 11.90%). Foreign currency loan for 6.07% (March 31, 2022: from 1.65% to 1.69%) and Deferred Payment obligations from 7.2% to 10% (March 31, 2022: from 7.3% to 10%).

### NOTE 22: OTHER NON-CURRENT FINANCIAL LIABILITIES

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	-	45
Payable for capital expenditure (includes amount referred in note 7(3))	344	1,459
Interest accrued but not due on deferred payment obligations	66,279	66,957
<b>Total</b>	<b>66,623</b>	<b>68,461</b>

### NOTE 23: LONG TERM PROVISIONS

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity (refer note 51)	150	243
Compensated absences	40	73
Asset retirement obligation (refer note 48)	45	68
<b>Total</b>	<b>235</b>	<b>384</b>

### NOTE 24: OTHER NON-CURRENT LIABILITIES

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Revenue	4,362	5,070
<b>Total</b>	<b>4,362</b>	<b>5,070</b>

### NOTE 25: SHORT TERM BORROWINGS

		₹ Mn
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
Short term loan from bank (refer note 21(C) and 21(D))	14,748	22,500
Current maturities of loans from banks and others (refer note 21(C) and 21(D))	64,523	68,072
<b>Unsecured Loans</b>		
Current maturities of loans from banks and others (refer note 21(D))	38,670	59,091
Current maturities of Deferred payment obligations (refer note 21(E))	5,018	6
<b>Total</b>	<b>122,959</b>	<b>149,669</b>

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 26: THE FOLLOWING IS AGEING SCHEDULE OF TRADE PAYABLES :

₹ Mn

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023						
Trade payables - Undisputed	11,759	42,137	5,786	8,814	10,603	79,099
Accrued expenses						57,323
Total						136,422
Current						135,364
Non Current						1,058
As at March 31, 2022						
Trade payables - Undisputed	16,745	34,410	9,551	6,501	2,961	70,168
Accrued expenses						62,383
Total						132,551
Current						131,699
Non Current						852

### NOTE 27: OTHER CURRENT FINANCIAL LIABILITIES

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
Payable for capital expenditure (includes amount referred in 7(3) and 55)	65,708	66,334
Accrual towards One Time Spectrum Charges (OTSC) (refer note 41(vii))	56,449	49,572
Interest accrued but not due on borrowings	10,475	2,648
Unpaid dividend	1	2
Derivative liabilities at fair value through profit or loss (forward contracts)	26	102
Security deposits from customers and others	2,960	3,013
Settlement liability (refer note 41(vi))	17,270	17,265
Others	668	670
<b>Total</b>	<b>153,557</b>	<b>139,606</b>

### NOTE 28: OTHER CURRENT LIABILITIES

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred revenue and advance from customers <sup>(1)</sup>	26,964	28,297
Taxes, regulatory and statutory liabilities	49,864	47,538
Others <sup>(2)</sup>	183	183
<b>Total</b>	<b>77,011</b>	<b>76,018</b>

<sup>(1)</sup> Revenue recognised during the year from deferred revenue and advance from customers (contract liability) at the beginning of the year is ₹ 28,297 Mn. (March 31, 2022: ₹ 25,194 Mn)

<sup>(2)</sup> Represents money received from distributors and enterprise customers and outstanding liability to customers and merchants.



## NOTES

forming part of the Consolidated Financial Statements

### NOTE 29: SHORT TERM PROVISIONS

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
Gratuity (refer note 51)	27	66
Compensated absences	29	56
Asset retirement obligation (refer note 48)	91	101
Provision for tax (net of Advance tax of ₹ 117 Mn (March 31, 2022: ₹ 32 Mn))	1	15
<b>Total</b>	<b>148</b>	<b>238</b>

### NOTE 30: OTHER OPERATING INCOME

Particulars	₹ Mn	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Liabilities no longer required written back	175	70
Miscellaneous receipts	171	101
<b>Total</b>	<b>346</b>	<b>171</b>

### NOTE 31: OTHER INCOME

Particulars	₹ Mn	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income (includes amount referred in note 55)	2,471	877
Gain on Mutual Funds (including fair value gain/(loss))	290	180
Others	352	237
<b>Total</b>	<b>3,113</b>	<b>1,294</b>

### NOTE 32: EMPLOYEE BENEFIT EXPENSES

Particulars	₹ Mn	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	16,564	15,512
Contribution to provident, gratuity and other funds (refer note 51)	1,115	1,080
Share based payment expenses (ESOS) (refer note 50) <sup>(1)</sup>	2	(16)
Staff welfare	891	750
Recruitment and training	91	25
<b>Total</b>	<b>18,663</b>	<b>17,351</b>

<sup>(1)</sup> includes charge on account of cash settled ESOP ₹ 2 Mn (March 31, 2022: ₹ 6 Mn).

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 33: NETWORK EXPENSES AND IT OUTSOURCING COST

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Security service charges	832	454
Power and fuel	57,667	56,579
Repairs and maintenance - plant and machinery	28,153	26,969
Lease line and connectivity charges	4,501	4,650
Network insurance	667	634
Other network operating expenses	1,427	1,957
IT outsourcing cost	7,536	6,939
<b>Total</b>	<b>100,783</b>	<b>98,182</b>

### NOTE 34: LICENSE FEES AND SPECTRUM USAGE CHARGES

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
License fees	31,147	29,120
Spectrum usage charges	8,874	12,868
<b>Total</b>	<b>40,021</b>	<b>41,988</b>

### NOTE 35: ROAMING AND ACCESS CHARGES

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Roaming charges	3,935	2,286
Access charges	35,056	26,869
<b>Total</b>	<b>38,991</b>	<b>29,155</b>

### NOTE 36: SUBSCRIBER ACQUISITION AND SERVICING EXPENDITURE

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of sim and recharge vouchers	3,562	1,059
Commission to dealers and others (refer note 44)	28,367	13,404
Customer verification expenses (refer note 44)	644	294
Collection, telecalling and servicing expenses	3,288	3,917
Customer retention and customer loyalty expenses	919	1,037
<b>Total</b>	<b>36,780</b>	<b>19,711</b>

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 37: ADVERTISEMENT, BUSINESS PROMOTION EXPENDITURE AND CONTENT COST

			₹ Mn
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
Advertisement & Business promotion expenditure	2,840	3,560	
Content cost	6,572	6,231	
<b>Total</b>	<b>9,412</b>	<b>9,791</b>	

### NOTE 38: OTHER EXPENSES

			₹ Mn
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
Repairs and maintenance			
Building	157	96	
Others	2,764	2,667	
Other insurance	8	18	
Rates and taxes	120	151	
Electricity	591	627	
Printing and stationery	45	45	
Communication expenses	61	93	
Travelling and conveyance	960	463	
Bad debts / advances written off	1,170	1,756	
Allowances for doubtful debts and advances (refer note 47)	86	479	
Loss/(Gain) on disposal of property, plant and equipment (net)	(642)	(679)	
Directors Sitting Fees (refer note 55)	10	12	
Legal and professional charges <sup>(1)</sup>	637	608	
Audit fees	81	78	
CSR expenditure	4	2	
Support service charges (refer note 55)	992	397	
Miscellaneous expenses <sup>(2)</sup>	1,830	1,733	
<b>Total</b>	<b>8,874</b>	<b>8,546</b>	

<sup>(1)</sup> Includes certification fees to statutory auditors ₹ 6 Mn (March 31, 2022: ₹ 5 Mn).

<sup>(2)</sup> Includes out of pocket expenses to statutory auditors ₹ 4 Mn (March 31, 2022: ₹ \* Mn).

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

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 39: FINANCE COSTS

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest		
- On fixed period loan (Net of ₹ 679 Mn. capitalised, March 31, 2022 : ₹ Nil Mn.) <sup>(1)</sup>	15,122	20,664
- On deferred payment obligation towards spectrum (Net of ₹ 4,196 Mn. capitalised, March 31, 2022 : ₹ Nil Mn.) <sup>(1)</sup>	104,251	101,665
- On deferred payment obligation pursuant to AGR judgement (refer note 3)	49,576	49,931
- On lease liabilities (refer note 45)	36,173	18,956
- On One Time Spectrum Charges (refer note 41(vii))	6,877	5,674
- Others	15,974	5,953
Other finance charges	2,078	5,586
<b>Total interest expense</b>	<b>230,051</b>	<b>208,429</b>
Exchange difference (net)	3,583	1,718
Loss/(Gain) on derivatives (including fair value changes on derivatives)	(91)	(339)
<b>Total</b>	<b>233,543</b>	<b>209,808</b>

<sup>(1)</sup>The capitalisation rate used to determine amount of borrowing cost to be capitalised is 7.2% to 11.95%.

### NOTE 40: EXCEPTIONAL ITEMS (NET)

₹ Mn		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Integration and merger related costs	-	764
Accelerated depreciation on network re-alignment / re-farming	-	(137)
(Loss)/Gain on remeasurement / sale of leasehold land (refer note 41(i) and 41(viii))	(224)	1,266
Others	-	(250)
<b>Total</b>	<b>(224)</b>	<b>1,643</b>

<sup>(1)</sup> Amounts given in above Exceptional items (net) note represents Exceptional gain/(loss).

### NOTE 41: SIGNIFICANT TRANSACTIONS / NEW DEVELOPMENTS

- i) During the previous year, the Group has sold Investment Property (Leasehold land) for a consideration of ₹ 1,870 Mn and accordingly, gain on sale of Investment Property (Leasehold land) of ₹ 1,266 Mn (net of expenses) has been recognised as exceptional item.
- ii) During the previous year, after the requisite Board and shareholders' approval, the Company, had allotted 3,383,458,645 Equity Shares of face value of ₹ 10 each to entities forming part of promoter / promoter group on preferential basis at a price of ₹ 13.30 per Equity Share, including a premium of ₹ 3.30/- per Equity Share, aggregating ₹ 45,000 Mn.
- iii) The Board of Directors of the Company at its meeting held on July 22, 2022 approved issuance of 427,656,421 warrants each convertible into one fully paid-up equity share of face value of ₹ 10/- for cash at a price of ₹10.20/- to an entity forming part of the promoter group, aggregating upto ₹ 4,362 Mn which were allotted on July 25, 2022. Pursuant to the exercise of the right of conversion attached to the warrants, the Board of Directors of the Company at its meeting held on February 14, 2023 approved conversion of these warrants into equity shares and consequently allotted 427,656,421 equity shares to the promoter group entity.

## NOTES

### forming part of the Consolidated Financial Statements

- iv) The Board of Directors of the Company at its meeting held on January 31, 2023 has re-approved issuance of upto 16,000 optionally convertible, unsecured, unrated and unlisted Indian Rupee denominated debentures (OCDs) having a face value of ₹ 1,000,000 each, in one or more tranches, aggregating upto ₹16,000 Mn, each convertible into 100,000 equity shares of face value of ₹ 10/- each at a conversion price of ₹ 10/- to ATC Telecom Infrastructure Private Limited ('ATC'), a non-promoter of the Company, on a preferential basis. The Capital Raising Committee of the Board of Directors of the Company has, at its meeting held on February 27, 2023 and February 28, 2023, allotted a total of 16,000 number of OCDs to ATC which is redeemable in two equal instalments in August 23 and August 24. Further, as per terms of the agreement, holder of OCDs is entitled to convert OCDs into equity shares of the Company at all time and the Company also has right to convert the outstanding OCDs into equity shares after 1 year of the issuance subject to the Company's equity shares price being equal to or higher than the pre agreed share price.
- v) The DoT conducted auctions for various spectrum bands which got concluded on August 1, 2022. The Company successfully bid for its spectrum requirements at a total cost of ₹ 187,863 Mn as under:
- 3300 MHz band in 17 priority circles
  - 26 GHz band in 16 circles
  - Additional 4G spectrum acquisition in 3 circles i.e. Andhra Pradesh, Karnataka and Punjab

The validity of the above spectrum is for a 20 year period starting from the effective date as mentioned in the Frequency Assignment Letter for respective service areas. As per the payment options available, the Company has chosen the deferred payment option. The Company has capitalised the cost pertaining to additional 4G spectrum amounting to ₹ 17,348 Mn and has recorded cost pertaining to 5G spectrum amounting to ₹ 170,515 Mn and related borrowing cost of ₹ 4,875 Mn as 'Intangible assets under development'.

- vi) The Implementation Agreement entered between the parties defines a settlement mechanism between the Company and the promoters of erstwhile Vodafone India Limited ("VInL") for any cash inflow/outflow that could possibly arise to/by the Company towards settlement of certain outstanding disputes pertaining to the period until May 31, 2018. As at March 31, 2023, the Company had recognized settlement assets amounting to ₹ 63,939 Mn. The settlement of such assets recognized was to happen periodically based on cash inflow/ outflow incurred as defined in the Implementation Agreement starting from June 2020 but not beyond June 2025. The Company has classified ₹ 17,270 Mn received mainly on account of income tax refund for the period July 2020 till December 2022 as payable to VInL promoters as per the terms of the Implementation Agreement. The balance receivables of ₹ 81,209 Mn as at March 31, 2023 is subject to further cash inflows / outflows incurred till June, 2025 and hence, classified as non-current financial assets. The Company believes that it will be able to recover this amount in terms of the Implementation Agreement even if the related liabilities are paid beyond June 2025 based on the deferment of AGR dues availed by the Company. The settlement between the Company and VInL promoters for any cash outflow that could possibly arise shall be subject to requisite approvals, if any, which would be evaluated/obtained at the time of settlement to VInL promoters.

- vii) One Time Spectrum Charges (Beyond 4.4 MHz):

During the financial year 2012-13, DoT had issued demand notices towards one time spectrum charges (hereinafter referred to as "OTSC"). The demands on the Company i.e. formerly Idea Cellular Limited have been challenged by way of writ petition before the Bombay High Court (BHC). The erstwhile Vodafone India Limited (VInL) and erstwhile Vodafone Mobile Services Limited (VMSL) had challenged the demands before the TDSAT. The grounds taken before BHC and TDSAT were different though.

On July 4, 2019 TDSAT in its judgement quashed the demands levied on erstwhile VInL and VMSL and inter alia held that:

- For spectrum up to 6.2 MHz, OTSC is not chargeable and accordingly demand set aside.
- For spectrum beyond 6.2 MHz,
  - Allotment after July 1, 2008, OTSC shall be levied from the date of allotment of such spectrum.
  - Allotment before July 1, 2008, OTSC shall be levied from January 1, 2013 till the date of expiry of license.
  - Conditions as stated in para 1 (v) of the impugned order dated December 28, 2012 (given hereunder) is arbitrary and illegal and is accordingly set aside, i.e. Upfront charges in the case of spectrum holding in multiple bands (900 MHz and

## NOTES

### forming part of the Consolidated Financial Statements

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 preferred an appeal against the entire TDSAT judgement and sought stay on the impugned judgement. The matter is pending before the Hon'ble Supreme Court.

The Company, on prudence basis, has recognized a charge for spectrum holding beyond 6.2 MHz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given for OTSC in line with the M&A guidelines at the time of merger. Accordingly, the Company has recognised interest cost of ₹ 6,877 Mn (March 31, 2022: ₹ 5,674 Mn) in Statement of Profit and loss.

- viii) On March 28, 2023, the Company has entered into a term sheet with a prospective buyer for assignment of certain leasehold rights of land. Accordingly, the Company has reclassified such leasehold land from RoU assets to Assets held for sale (AHFS). As the carrying value of the asset is higher than the expected fair value less cost of sell, the Company has adjusted carrying value of AHFS and recognised re-measurement loss of ₹ 224 Mn equivalent to such differences under Exceptional Items. The transaction is subject to conditions precedent mentioned in term sheet and expected to be completed in financial year 2023-2024.
- ix) The Board of Directors of the Vodafone Idea Communication Systems Limited ("VICSL"), at its meeting held on August 11, 2021, approved a Scheme of Amalgamation ("the Scheme") for merger of Connect (India) Mobile Technologies Private Limited ("CIMTPL"), a wholly owned subsidiary of the VICSL, with the VICSL under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme was approved by the Ahmedabad bench of National Company Law Tribunal vide its order dated December 22, 2022 and the certified true copy of said order was received on January 3, 2023 which was filed with the Registrar of Companies, Ahmedabad, on January 31, 2023, thereby making the Scheme effective from January 31, 2023. This has been no accounting impact on the consolidated financial statements.

### NOTE 42: 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 ₹ 33,856 Mn (March 31, 2022: ₹ 29,164 Mn).
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 26,817 Mn (March 31, 2022: ₹ 32,685 Mn).

### NOTE 43: CONTINGENT LIABILITIES NOT PROVIDED FOR

#### A) Licensing Disputes:

- i. OTSC (Less than 4.4 MHz) – ₹ 38,570 Mn (March 31, 2022: ₹ 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.



## NOTES

### forming part of the Consolidated Financial Statements

#### ii. Other Licensing Disputes – ₹ 104,033 Mn (March 31, 2022: ₹ 93,911 Mn):

In December 2016, the Company had challenged the TRAI recommendation of levying penalty for allegedly denying points of interconnect (Pols) to Reliance Jio, citing Telecom Regulatory Authority of India's (TRAI) move "arbitrary and biased" and one which exceeds the sectorial watchdog's jurisdiction. The Honourable Delhi High Court suggested that DoT could consider objections raised by VIL in its plea along with the TRAI recommendations. During the previous year on September 29, 2021, DoT had issued demand notice for imposition of financial penalty amounting to ₹ 20,000 Mn for violation of the provisions of license agreements and standards of Quality of service of basic telephone service (wireline) and SMTS regulation 2009. The Company has filed petition with Hon'ble TDSAT on October 11, 2021 against the demand raised by DoT. In the recent hearing, interim relief has been granted stating no coercive action shall be taken for realisation of penalty under challenge. The matter is yet to be concluded.

- Additional demands towards AGR dues for which the company has written to DoT requesting corrections of certain computational errors, admissible pass-through not considered based on the principles laid down in the AGR judgement (Refer note no 3)
- Disputes relating to alleged non-compliance of licensing conditions & other disputes with DoT (including those towards CAF Audit and EMF), either filed by or against the Company and pending before Hon'ble Supreme Court / TDSAT.
- Demands on account of alleged violations in license conditions relating to amalgamation of erstwhile Spice Communications Limited currently sub-judice before the Hon'ble TDSAT.
- Demand with respect to upfront spectrum amounts for continuation of services from February 2, 2012 till various dates in the service areas where the licenses were quashed following the Hon'ble Supreme Court Order.

In October 2015, DoT issued interim guidelines, wherein Microwave Spectrum held by expired /expiring licenses was declared as being held on a provisional basis subject to final outcome of DoT's decision on recommendation by TRAI on the allocation and pricing of Microwave Spectrum. The interim guidelines issued by DoT are not in line with the understanding provided during the earlier auctions as part of Notice Inviting Application (NIA) for the spectrum auction. Basis the interim guidelines, DoT has instructed the Company to provide an undertaking that the pricing and allocation decisions of DoT would be considered final in this respect. The Company has not provided the said undertaking or signed the agreement being against the express and binding confirmations under NIA. Further TDSAT vide its order dated March 13, 2019 set aside the Impugned guidelines and stated 2006 rates hold to be valid, which should be applied from future date as and when notified by DoT as per the judgment. The Hon'ble Supreme Court vide its order dated November 8, 2019 stayed the TDSAT order and directed the Company to furnish bank guarantee till the next date of hearing. The matter was last listed on October 18, 2022, where Supreme Court directed the Company to file its reply/ counter to DoT's appeal. Accordingly, the implication of the said order is not considered in the financial statement.

#### B) Other Matters not acknowledged as debt

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax matters (see note i below)	15,140	14,889
Sales tax and entertainment tax matters (see note ii below)	1,564	2,182
Service tax/Goods and Service Tax(GST) matters (see note iii below)	15,231	16,146
Entry tax and customs matters (see note iv below)	5,486	5,251
Other claims (see note v below)	33,873	28,655
<b>Total</b>	<b>71,294</b>	<b>67,123</b>

#### i. Income Tax Matters (including Tax deducted at source)

- Appeals filed by the Group against the demands raised by the Income Tax Authorities relates to disputes on non-applicability of tax deductions at source on prepaid margin allowed to prepaid distributors, disputes relating to denial of tax holiday benefit from certain business receipts etc.

The above matters contested by the Group are pending at various appellate authorities against the tax authorities.

## NOTES

### forming part of the Consolidated Financial Statements

#### ii. Sales Tax and Entertainment Tax

- Sales Tax demands mainly relates to the demands raised by the VAT/Sales Tax authorities of few states on Broadband Connectivity, SIM cards etc. on which the Group has already paid Service Tax.
- Demand of tax for non-submission of Declaration forms viz. C forms & F forms in stipulated time limit.
- In one state entertainment tax is being demanded on revenue from value added services.

#### iii. Service Tax/ Goods and Service Tax (GST)

Service Tax / GST demands mainly relates to the following matters:

- Denial of Cenvat credit related to Towers and Shelters.
- Disallowance of Cenvat Credit on input services viewed as ineligible credit
- Demand of service tax on SMS termination charges, Demand of service tax on reversal of input credit on various matters including on removal of passive infrastructure.

#### iv. Entry Tax and Customs

- Entry Tax disputes pertains to classification / valuation of goods.
- Demand of customs duty/anti-dumping duty on dispute relating to classification issue. The Group has challenged these demands which are pending at various forums.

#### v. Other claims not acknowledged as debts

- Mainly include consumer forum cases, disputed matters with local Municipal Corporation, Regional Provident Fund Commission and other miscellaneous sub-judiced disputes.
- Disputes with the Electricity Boards on matters relating classification of Mobility Towers into Industrial v/s commercial

The future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. Further, based on the Group's evaluation, it believes that it is not probable that the claims will materialise and therefore, no provision has been recognised for the above.

### NOTE 44: MOVEMENT IN COSTS TO OBTAIN OR FULFIL A CONTRACT WITH A CUSTOMER

Particulars	₹ Mn	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	22,104	8,028
Costs incurred	28,236	20,969
Less: Cost amortized	(21,273)	(6,893)
<b>Closing balance</b>	<b>29,067</b>	<b>22,104</b>
Current	20,404	11,511
Non-current	8,663	10,593

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 45: LEASES

#### (a) Group as lessee

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
<b>As at April 1, 2021</b>	<b>10,436</b>	<b>132,460</b>	<b>22,531</b>	<b>2,059</b>	<b>167,486</b>
Additions <sup>(1)</sup>	1,768	69,505	2,585	-	73,858
Deletions/Adjustments	(263)	(8,554)	(1)	(5)	(8,823)
Depreciation expenses	(2,837)	(57,293)	(2,381)	(986)	(63,497)
<b>As at March 31, 2022</b>	<b>9,104</b>	<b>136,118</b>	<b>22,734</b>	<b>1,068</b>	<b>169,024</b>
Additions <sup>(1)</sup>	1,817	183,008	2,019	-	186,844
Deletions/Adjustments	(69)	(10,185)	-	-	(10,254)
Assets reclassified as AHFS (refer note 41(viii))	(717)	-	-	-	(717)
Depreciation expenses	(3,047)	(55,901)	(2,528)	(718)	(62,194)
<b>As at March 31, 2023</b>	<b>7,088</b>	<b>253,040</b>	<b>22,225</b>	<b>350</b>	<b>282,703</b>

<sup>(1)</sup> Additions includes addition of new leases, modification to existing lease in form of lease extension.

Set out below are the carrying amounts of lease liabilities (included under lease liabilities) and the movements during the year:

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening</b>	<b>228,434</b>	<b>214,099</b>
Additions	186,844	73,858
Accretion of interest	36,173	18,956
Payments	(79,039)	(69,397)
Deletion	(10,612)	(9,082)
<b>Closing</b>	<b>361,800</b>	<b>228,434</b>
Current	111,188	114,109
Non-current	250,612	114,325

The maturity analysis of lease liabilities is disclosed in note 57.

The following are the amounts recognized in statement of profit and loss:

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation on RoU assets	62,194	63,497
Interest expense on lease liabilities	36,173	18,956
<b>Total amount recognized in profit and loss</b>	<b>98,367</b>	<b>82,453</b>

#### (b) Group as lessor

The Group has leased certain Optical Fibre Cables pairs (OFC) on Indefeasible Rights of Use ("IRU") basis under operating lease arrangements. The Group recognised revenue from operating lease of ₹ 510 Mn. (March 31, 2022: ₹ 422 Mn).

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 46: DETAILS OF FOREIGN CURRENCY EXPOSURES

#### a. Hedged by a Derivative Instrument

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	5	111
Equivalent ₹ of Foreign Currency Loan <sup>(1)</sup>	394	8,607
<b>Trade Payables and Other financial liability</b>		
Trade Payables and Other financial liability in USD	136	30
Interest accrued but not due on Foreign Currency Loans in USD	-	-*
Equivalent ₹ of Trade Payables and Other financial liability <sup>(1)</sup>	11,342	2,327

<sup>(1)</sup> Amount in ₹ represents conversion at hedged rate.

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

#### b. Not hedged by a Derivative Instrument or otherwise

₹ Mn		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	-	5
Equivalent ₹ of Foreign Currency Loan <sup>(1)</sup>	-	359
<b>Trade Payables and Other financial liability</b>		
In USD	324	512
In EURO	183	172
In GBP	12	12
In Other Currency	-*	-*
Equivalent ₹ of Trade Payables and other financial liability in Foreign Currency <sup>(1)</sup>	44,246	54,471
<b>Trade Receivables</b>		
In USD	65	77
In EURO	-*	-*
In GBP	-*	-*
<b>Balances with banks-In current accounts in USD</b>	-*	1
Equivalent ₹ of Trade Receivables and bank balances in Foreign Currency <sup>(1)</sup>	5,398	5,881

<sup>(1)</sup> Amount in ₹ represents conversion at closing rate.

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

# NOTES

forming part of the Consolidated Financial Statements

## NOTE 47: MOVEMENT OF ALLOWANCES FOR DOUBTFUL DEBTS/ADVANCES

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	15,225	14,746
Charged to Statement of Profit and Loss (Net) (refer Note 38)	86	479
<b>Closing Balance<sup>(1)</sup></b>	<b>15,311</b>	<b>15,225</b>

<sup>(1)</sup> Includes doubtful advance income tax of ₹ 629 Mn (March 31, 2022: ₹ 329 Mn).

## NOTE 48: ASSET RETIREMENT OBLIGATION

The Company installs equipment's on leased premises to provide seamless connectivity to its customers. In certain cases, the Company may have to incur some cost to remove such equipment's on leased premises. Estimated costs to be incurred for restoration is capitalised along with the assets. The movement of provision as required in Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" is given below:

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	169	164
Unwinding of discount	5	5
Utilisation	(38)	-
<b>Closing Balance</b>	<b>136</b>	<b>169</b>
Current	91	101
Non-current	45	68

## NOTE 49: SEGMENT INFORMATION

The Chief Operating Decision maker primarily focusses on Mobility business in making decisions on operating matters and on allocating resources in evaluating performance. Accordingly, the Group operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segment.

## NOTE 50: SHARE BASED PAYMENTS

### a) Employee stock option plan - options granted by Vodafone Idea Limited

The Group has granted stock options and restricted stock units (RSU's) under ESOS 2013 to the eligible employees of the Company and its subsidiaries from time to time. These options, subject to fulfilment of vesting conditions, would vest in 4 equal annual instalments after one year of the grant and the RSU's will vest after 3 years from the date of grant. The maximum period for exercise of options and RSU's is 5 years from the date of vesting. Each option and RSU when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the Company. The options and 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, 2023 and March 31, 2022. During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOS 2013. In the current year, ₹ 12 Mn (March 31, 2022: ₹ 311 Mn) is adjusted against Retained earnings in respect of cancellation/expiration of vested stock option.

## NOTES

### forming part of the Consolidated Financial Statements

As at year ended March 31, 2023 and March 31, 2022, details and movements of the outstanding options are as follows:

₹ Mn

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
<b>i) Options granted under ESOS 2013</b>				
Options outstanding at the beginning of the year	319,244	113.50	4,178,076	125.58
Options cancelled during the year	-	-	131,607	124.05
Options expired during the year	39,802	117.55	3,727,225	126.67
Options outstanding at the end of the year	279,442	113.50	319,244	113.50
Options exercisable at the end of the year	279,442	113.50	319,244	113.50
Range of exercise price of outstanding options (₹)	110.45 - 150.10		110.45 - 150.10	
Remaining contractual life of outstanding options (months)	19		25	
<b>ii) RSU's granted under ESOS 2013</b>				
RSU's outstanding at the beginning of the year	367,624	10.00	1,039,012	10.00
RSU's cancelled during the year	8,956	10.00	106,231	10.00
RSU's expired during the year	71,351	10.00	565,157	10.00
RSU's outstanding at the end of the year	287,317	10.00	367,624	10.00
RSU's exercisable at the end of the year	287,317	10.00	367,624	10.00
Range of exercise price of outstanding RSU's (₹)	10.00		10.00	
Remaining contractual life of outstanding RSU's (months)	13		24	

The fair value of each option and RSU is estimated on the date of grant / re-pricing based on the following assumptions:

Particulars	Options ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	(11/02/14)	(29/12/14)	(21/1/16)	(11/2/17)
	Stock Options	Stock Options	Stock Options	Stock Options
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months
Risk free interest rate (%)	8.81 - 8.95	8.04 - 8.06	7.42 - 7.66	6.68 - 7.03
Volatility (%)	34.13-44.81	34.28-42.65	34.24 - 35.33	36.37 - 38.87
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	60.51 <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 instalment of the grant were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.



## NOTES

forming part of the Consolidated Financial Statements

Particulars	RSU's ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.91	8.05	7.60	6.94
Volatility (%)	43.95	35.66	34.24	37.21
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	118.70	140.41	107.71	100.40

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

### a) 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.

As at year ended March 31, 2023 and March 31, 2022, details and movements of the outstanding options are as follows:

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
	No. of Options	No. of Options
<b>Options granted under GLTI / GLTR</b>		
Options outstanding at the beginning of the year	50,632	271,591
Options exercised during the year	50,632	220,959
Options outstanding at the end of the year	-	50,632
Options exercisable at the end of the year	-	50,632
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	-	3

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Liability at the end of year ended March 31, 2023 is Nil (March 31, 2022: ₹ 6 Mn).

# NOTES

forming part of the Consolidated Financial Statements

## NOTE 51: EMPLOYEE BENEFITS

### A. Defined Benefit Plan (Gratuity)

#### General description and benefits of the plan

The respective companies in the Group operate a defined benefit final salary gratuity plan through a trust. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The benefit is payable on termination of service or retirement, whichever is earlier. The employees do not contribute towards this plan and the full cost of providing these benefits are borne by the Group.

#### Regulatory framework, funding arrangement and governance of the Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Group and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Group is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Group's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-a-vis settlements. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

#### Inherent risks

The plan is of a final salary defined benefit in nature which is funded by the Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The following tables summarizes the components of net benefit expense recognized in the Consolidated Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for gratuity:

Particulars	₹ Mn	
	As at March 31, 2023	As at March 31, 2022
<b>Amount recognised in Balance Sheet</b>		
Present value of obligations as at the end of the year	2,605	2,593
Fair value of plan assets as at the end of the year	2,699	2,442
Net Funded Obligation	(94)	151
Present value of unfunded obligations	154	158
Net Asset/(Liability) recognised in Balance Sheet	(60)	(309)
Net Asset/(Liability) recognised in Balance Sheet is bifurcated as		
- Other current asset	117	-
- Long term provision	(150)	(243)
- Short term provision	(27)	(66)

# NOTES

forming part of the Consolidated Financial Statements

₹ Mn

Sr. No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1</b>	<b>Reconciliation of Net Defined Benefit Obligation</b>		
	Opening Net Defined Benefit liability/(asset)	309	440
	Expense charged to statement of profit & loss	285	310
	Income credited to OCI	(115)	(90)
	Employer contributions	(405)	(336)
	Benefits Paid	(16)	(13)
	Liabilities assumed/(settled) <sup>(1)</sup>	2	(2)
	<b>Closing Net Defined Benefit liability/(asset)</b>	<b>60</b>	<b>309</b>
<b>2</b>	<b>Reconciliation of Defined Benefit Obligation</b>		
	Opening Defined Benefit Obligation	2,751	2,815
	Current Service cost	273	289
	Interest on Defined Benefit Obligation	177	172
	Actuarial (Gain)/Loss arising from change in financial assumptions	(99)	(62)
	Actuarial (Gain)/Loss arising from change in demographic assumptions	(79)	(20)
	Actuarial (Gain)/Loss arising on account of experience changes	90	40
	Benefits paid	(356)	(481)
	Liabilities assumed/(settled) <sup>(1)</sup>	2	(2)
	<b>Closing Defined Benefit Obligation</b>	<b>2,759</b>	<b>2,751</b>
<b>3</b>	<b>Reconciliation of plan assets</b>		
	Opening fair value of plan assets	2,442	2,375
	Employer contributions	405	336
	Interest on plan assets	165	151
	Re measurements due to		
	- Actual return on plan assets less expected interest on plan assets	27	48
	Benefits paid	(340)	(468)
	<b>Closing fair value of plan assets</b>	<b>2,699</b>	<b>2,442</b>

<sup>(1)</sup> On account of inter group transfer.

## NOTES

forming part of the Consolidated Financial Statements

Amounts recognised in the Statement of Profit and Loss in respect of this defined benefit plan are as follows:

		₹ Mn	
Sr. No	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1</b>	<b>Expenses Recognised in the Statement of Profit &amp; Loss</b>		
	Current Service cost	273	289
	Interest on Net Defined Benefit liability/(asset)	12	20
	Expenses recognised in the Statement of Profit & Loss	<b>285</b>	<b>309</b>
<b>2</b>	<b>Amount recorded as Other Comprehensive Income (OCI)</b>		
	Re measurement during the year due to		
	- Changes in financial assumptions	(99)	(62)
	- Changes in demographic assumptions	(79)	(20)
	- Experience adjustments	90	40
	- Return on plan assets (excluding amounts included in net interest expense)	(27)	(48)
	Remeasurement (gain)/loss recognised in OCI	<b>(115)</b>	<b>(90)</b>

The principal assumptions used in determining gratuity obligations are shown below:

		₹ Mn	
Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate		7.40%	6.85%
Future salary increases <sup>(1)</sup>		8.00%	8.00%
Attrition rate	30 years & below - 30%		30 years & below - 30%
	31-40 years - 20%		31-40 years - 15%
	41 years & above - 10%		41 years & above - 8%
Mortality rate during employment	As per Indian Assured Lives Mortality (2012-14) Table		
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.		

<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, 2023		For the year ended March 31, 2022	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	(3.06%)	3.43%	(3.63%)	3.68%
Impact of decrease in 50 bps on DBO	3.26%	(3.26%)	3.80%	(3.55%)

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.

## NOTES

### forming part of the Consolidated Financial Statements

The following payments are expected contributions to the defined benefit plan in future years:

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within the next 12 months	178	156

Disaggregation details of plan assets (% allocation):

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Insurer Managed Funds <sup>(1)</sup>	2,688	2,442
Bank balances	11	-

<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.

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expected benefits for year 1	418	347
Expected benefits for year 2	292	270
Expected benefits for year 3	273	225
Expected benefits for year 4	266	218
Expected benefits for year 5 and above	2,649	2,899

The average duration of the defined benefit plan obligation at the end of the reporting year is 5.04 years - 8.38 years (March 31, 2022: 6.92 years - 8.42 years).

#### 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, 2023	For the year ended March 31, 2022
Employers' contribution to provident and other fund	788	723
Employers' contribution to superannuation fund	42	48

- C. The Company operates its gratuity superannuation plan through separate trust which is administered and managed by the Trustees. As on March 31, 2023 and March 31, 2022, the contribution towards the plans have been invested in Insurer Managed funds and bank balance.

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 52: INCOME TAX EXPENSES

#### (a) Major components of tax expense

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current Tax</b>		
Current Tax on profits for the year	116	169
Adjustments for tax of prior periods	(1)	4
<b>Total Current Tax Expense (A)</b>	<b>115</b>	<b>173</b>
<b>Deferred Tax</b>		
Relating to addition & reversal of temporary differences	(80)	(60)
<b>Total Deferred Tax Expense (B)</b>	<b>(80)</b>	<b>(60)</b>
<b>Total Tax Expense (A+B)</b>	<b>35</b>	<b>113</b>
<b>Income tax effect of re-measurement gains on defined benefit plans taken to other comprehensive income</b>	<b>(4)</b>	<b>(1)</b>

#### b) Reconciliation of average effective tax rate and applicable tax rate

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss before income tax expense	(292,976)	(282,341)
<b>Applicable Tax Rate</b>	<b>34.94%</b>	<b>34.94%</b>
Increase / reduction in taxes on account of:		
Effect of unrecognised business loss including reversal of previously recognised DTA on business losses	-29.26%	-45.51%
Effect of items for which no deferred tax is recognised	-0.14%	0.00%
Effect of share of profits in JV / Associates	0.00%	0.00%
Effects of expenses / income that are not deductible / considered in determining the taxable profits	-6.13%	10.53%
Effect of different tax rate	0.00%	0.00%
Other Items	0.57%	0.00%
<b>Effective Tax Rate</b>	<b>-0.02%</b>	<b>-0.04%</b>

- (c) The Group has not recognized deferred tax assets in respect of certain carried forward tax losses / capital losses / temporary differences of ₹ 2,387,973 Mn as of March 31, 2023 (March 31, 2022: ₹ 1,961,569 Mn). Of this, ₹ 1,038,445 Mn is towards unabsorbed depreciation and does not have any limitation / expiry period and ₹ 914,907 will lapse beyond a period of 5 years. The aforesaid tax losses and unabsorbed depreciation will lapse in the subsequent years as follows:

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
Within 0-5 years	637,975	-
From 5-10 years	414,347	915,946
Unlimited	1,335,651	1,045,623
<b>Total</b>	<b>2,387,973</b>	<b>1,961,569</b>

The Group has also not recognised deferred tax on MAT credit of ₹ 25,699 Mn, of which ₹ 2,631 Mn is expiring within 0-5 years, ₹ 9,730 Mn is expiring within 5-10 years and ₹ 13,338 Mn is expiring beyond 10 years. During the year ended March 31, 2022, the Group had not recognised deferred tax on MAT credit of ₹ 25,699 Mn, of which ₹ 2,631 Mn is expiring within 0-5 years, ₹ 9,730 Mn is expiring within 5-10 years and ₹ 13,338 Mn is expiring beyond 10 years.

# NOTES

forming part of the Consolidated Financial Statements

## NOTE 53: MOVEMENT IN DEFERRED TAX

₹ Mn

Particulars	As at March 31, 2021	Recognised in			As at March 31, 2022	Recognised in			As at March 31, 2023
		Profit and Loss	OCI	Other Equity		Profit and Loss	OCI	Other Equity	
Liabilities									
Depreciation & Amortisation (including RoU Assets)	189,037	(28,736)	-	-	160,301	57,611	-	-	217,912
Effects of remeasuring financial instruments under Ind AS	2,753	(126)	-	-	2,627	(290)	-	-	2,337
Undistributed retained earning of JV	-	-	-	-	-	-	-	-	-
Others	-	2,805	-	-	2,805	4,919	-	-	7,724
Total (A)	191,790	(26,057)	-	-	165,733	62,240	-	-	227,973
Assets									
Tax Losses	106,634	(37,470)	-	-	69,164	13,220	-	-	82,384
Expenses allowable on Payment Basis	2,460	6,583	(1)	-	9,042	1,422	(4)	-	10,460
Provisions for doubtful debts/ advances (including lease liability)	82,446	5,051	-	-	87,497	43,979	-	-	131,475
Others	251	(161)	-	-	90	3,699	-	-	3,789
Total (B)	191,791	(25,997)	(1)	-	165,793	62,320	(4)	-	228,108
Net Deferred Tax Liabilities/ (assets) (A-B)	(1)	(60)	1	-	(60)	(80)	4	-	(135)
As per Financials :									
Deferred Tax Asset	23	-	-	-	60	-	-	-	135
Deferred Tax Liabilities	22	-	-	-	-	-	-	-	-

## NOTE 54: BASIC & DILUTED EARNINGS / (LOSS) PER SHARE

₹ Mn

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Nominal value of per equity share	10/-		10/-	
Profit/(Loss) after Tax	(293,011)		(282,454)	
Profit/(Loss) attributable to equity shareholders	(293,011)		(282,454)	
Weighted average number of equity shares outstanding during the year	34,754,390,090		28,744,658,990	
Basic earnings per share	(8.43)		(9.83)	
Dilutive effect on weighted average number of equity shares outstanding during the year	*		*	
Weighted average number of diluted equity shares	34,754,390,090		28,744,658,990	
Diluted earnings per share	(8.43)		(9.83)	

\*As the Group has incurred loss, 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

## NOTE 55: 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.

### The Group has transactions with the below related parties:

Relationship	Related Party
Joint Venture (JV)	Firefly Networks Limited
Associate	Aditya Birla Idea Payments Bank Limited
	Mr. Kumar Mangalam Birla*
	Grasim Industries Limited
	Hindalco Industries Limited
	Euro Pacific Securities Limited
	Prime Metals Limited
	Mobilvest*
	Vodafone Telecommunications (India) Limited*
	Omega Telecom Holdings Private Limited*
Promoter / Promoter Group(1)	Asian Telecommunications Investments (Mauritius) Limited*
	Al-Amin Investments Limited*
	CCII (Mauritius) Inc.*
	Usha Martin Telematics Private Limited*
	Birla TMT Holdings Private Limited*
	Pilani Investment And Industries Corporation Limited*
	Elaine Investments PTE Limited*
	Oriana Investments PTE Limited
	IGH Holdings Private Limited
	Trans Crystal Limited*
	Cable & Wireless Networks India Private Limited
	Cable & Wireless Global (India) Private Limited
	Cable & Wireless Worldwide Limited
	Cable and Wireless (India) Limited
	Ghana Telecommunications Company Limited (ceased w.e.f February 20, 2023)
	Infinity Services Partner Company
	Metro Holdings Limited
Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]	National Communications Backbone Company Limited (ceased w.e.f February 20, 2023)
	Vodacom Congo (RDC) S.A.
	Vodacom Group Limited
	Vodacom Lesotho (Pty) Limited
	Vodacom Moçambique, SA
	Vodacom Tanzania PLC.
	Vodafone Albania Sh.A
	Vodafone Czech Republic A.S.
	Vodafone Enterprise Europe (UK) Limited

## 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 Enterprise Global Limited
	Vodafone Enterprise Singapore Pte. Limited
	Vodafone Espana S.A.U.
	Vodafone India Services Private Limited
	Vodafone Global Enterprise Limited
	Vodafone Global Network Limited
	Vodafone Global Services Private Limited
	Vodafone Gmbh
	Vodafone Group Services Limited
	Vodafone International Services LLC
	Vodafone Ireland Limited
	Vodafone Italia S.P.A.
	Vodafone Limited
	Vodafone Magyarország (ZRT) (ceased w.e.f March 31, 2022)
	Vodafone Net İletişim Hizmetleri A.S.
	Vodafone Portugal Comunicacoes Pessoais, S.A.
	Vodafone Procurement Company S.À R.L
	Vodafone Roaming Services S.À R.L
	Vodafone Romania S.A.
	Vodafone Telekomunikasyon A.S
	Vodafone US Inc.
	Vodafone-Panafon Hellenic Telecommunications Company S.A.
	Indus Towers Limited
	Safaricom PLC
	Vodafone (Pty) Limited
	Vodafone Libertel B.V.
	Vodafone Network Pty Limited
	Vodafone Group PLC*
	ABReL SPV 2 Limited
	Aditya Birla Capital Limited
	Aditya Birla Finance Limited
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Money Insurance Advisory Services Limited
	Aditya Birla Money Limited
	Aditya Birla Money Mart Limited (ABMML)
	Aditya Birla PE Advisors Private Limited
	Aditya Birla Renewables Limited
	Aditya Birla Sun Life AMC (Mauritius) Limited
	Aditya Birla Sun Life AMC Limited

# 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]	Aditya Birla Sun Life Asset Management Company Limited Dubai
	Aditya Birla Sun Life Insurance Company Limited
	Aditya Birla Sun Life Pension Management Limited
	Aditya Birla Wellness Private Limited
	Binani Cement Uganda Limited
	Goa Glass Fibre Limited (ceased w.e.f March 31, 2022)
	Harish Cement Limited
	UltraTech Cement Limited
	UltraTech Nathdwara Cement Limited
	Aditya Birla Power Composites Limited
	Bhubaneswari Coal Mining Limited
	Aditya Birla Health Insurance Company Limited
	Aditya Birla Science & Technology Company Private Limited
	A V Metals Inc.
	Aditya Birla Renewables Subsidiary Limited
	Hindalco Almex Aerospace Limited
	Aditya Birla New Age Private Limited
	Aditya Birla Science & Technology Limited (ceased w.e.f March 31, 2022)
	Aditya Marketing and Manufacturing Private Limited
	Birla Brothers Private Limited (ceased w.e.f March 31, 2022)
	Birla Institute of Technology and Science (ceased w.e.f March 31, 2022)
	G.D Birla Medical Research & Education Foundation (ceased w.e.f March 31, 2022)
	Mahan Coal Limited
	Svatantra Microfin Private Limited
Key Management Personnel (KMP)	Mr. Sunil Sood (Non-Executive Director)*
	Mr. Diego Massida (Non-Executive Director)*
	Mr. Sushil Agarwal (Appointed as Non-Executive Director on August 04, 2021)*
	Mr. Krishna Kishore Maheshwari (Appointed as Non-Executive Director on March 03, 2022)*
	Mr. Himanshu Kapania (Resigned as Chairman w.e.f. August 18, 2022) (Non-Executive Director)*
	Mr. Ravinder Takkar (Non-Executive Chairman) (Resigned as Managing Director & CEO w.e.f August 18, 2022)*
	Mr. Arun Thiagarajan (Ceased to be Independent Director on August 26, 2022)
	Mrs. Neena Gupta (Independent Director)
	Mr. Arun Adhikari (Independent Director)
	Mr. Ashwani Windlass (Independent Director)
	Mr. Krishnan Ramachandran (Independent Director)
	Mr. Suresh Vaswani (Independent Director)
	Mr. Anjani Kumar Agrawal (Appointed as Independent Director on August 27, 2022)
	Mr. Akshaya Moondra (CFO till August 18, 2022 and appointed as CEO on August 19, 2022)
	Mr. G. V. A. S. Murthy (Appointed as CFO on February 15, 2023)

## NOTES

forming part of the Consolidated Financial Statements

Relationship	Related Party
Other Related Parties in which Directors are interested	Aditya Birla Management Corporation Private Limited
	Interglobe Hotels Private Limited
	AAPC India Hotel Management Private Limited
	Accent Hotels Private Limited
	Caddie Hotels Private Limited
	Cerebrus Consultants Private Limited
	InterGlobe Enterprises Private Limited
	Interglobe Technology Quotient Private Limited
	Srilanand Mansions Private Limited
	Triguna Hospitality Ventures (India) Private Limited
	Aditya Birla Online Fashion Private Limited
	Omega Healthcare Management Services Private Limited (ceased w.e.f November 1, 2022)
Trust <sup>(2)</sup>	Applause Entertainment Private Limited
	Finesse International Design Private Limited (ceased w.e.f January 16, 2023)
	Vodafone Idea Limited Employees Group Gratuity Scheme*
	Vodafone Idea Limited Employees Superannuation Scheme*
	Vodafone Idea Manpower Services Limited Employees Group Gratuity Scheme*
	Hutchison Max Telecom Limited Superannuation Fund (Merged with Vodafone Idea Limited Employees Superannuation Scheme effective from April 01, 2021)*
	Vodafone Idea Shared Services Limited Employees Group Gratuity Scheme (Effective from June 28, 2021)*
	Vodafone Idea Telecom Infrastructure Limited Employees Group Gratuity Scheme (Effective from June 28, 2021)*

<sup>(1)</sup> As per Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulation, 2015.

<sup>(2)</sup> Transaction with trust includes contribution to gratuity and superannuation funds and refer note 51 for information on transaction with post-employment benefit plans mentioned above.

\* No transactions during the year

The following transactions were carried out with the related parties in the ordinary course of business:

### A. Transactions with Related Parties for the year ended March 31, 2023 and March 31, 2022

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter/Promoter Group	Other Related Parties in which Directors are interested
Sale of service	-*	2,048	-*	-	55	18
	-	(1,866)	-*	-	(55)	(27)
Purchase of service <sup>(1)</sup>	-	92,721	-	-	-	-
	-	(96,930)	(68)	-	-	-
Remuneration <sup>(2)</sup>	-	-	-	92	-	-
	-	-	-	(54)	-	-
Director's sitting fees paid	-	-	-	10	-	-
	-	-	-	(12)	-	-
Expense incurred on behalf of	-	-	16	-	-	-
	-	(36)	(21)	-	-	-

## NOTES

forming part of the Consolidated Financial Statements

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter/Promoter Group	Other Related Parties in which Directors are interested
Expense incurred on company's behalf by	-	2	-	-	-	-
	-	-	-	-	-	-
Issuance of Share Capital against warrants	-	-	-	-	4,362	-
	-	-	-	-	-	-
Proceeds from allotment of Equity Shares	-	-	-	-	(45,000)	-
	-	-	-	-	-	-
Insurance premium (including advance given)	-	7	-	-	-	-
	-	(18)	-	-	-	-
Loan repayment received during the year	-	-	-	-	-	-
	-	-	(8)	-	-	-
Donations received	-	304	-	-	-	-
	-	(150)	-	-	-	-
Interest Income on loan given	-	-	-	-	-	-
	-	-	-*	-	-	-
Security Deposits Received	-	93	-	-	-	-
	-	-	-	-	-	-

(Figures in bracket are for the year ended March 31, 2022)

## B. Balances with Related Parties as at March 31, 2023 and March 31, 2022

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Promoter/Promoter Group	Other Related Parties in which Directors are interested
Trade and Other Receivables	2	1,371	-*	-	100	132
	-	(906)	-*	-	(8)	(94)
Trade and Other Payables	-	113,446	-	-	-	4,538
	-	(91,275)	-	-	-	(4,621)
Lease Liability (included in Other non-current financial liabilities and Other current financial liabilities)	-	265,872	-	-	-	-
	-	(104,729)	-	-	-	-
Deposits Given (included in Other Non-Financial Assets)	-	1,501	-	-	-	-
	-	(1,594)	-	-	-	-
Remuneration payable	-	-	-	44	-	-
	-	-	-	(17)	-	-
Prepaid Expenses	-	296	-	-	-	-
	-	(342)	-	-	-	-

(Figures in bracket are as at March 31, 2022)

<sup>(1)</sup> Includes rental expenses pertaining to Indus Towers Limited. However, the same has been accounted for, in accordance with IND AS 116 in these financial statements.

<sup>(2)</sup> Remuneration includes amounts towards LTIP and ESOP basis actual payment/exercise. There is no remuneration paid to Mr. Ravinder Takkar from VIL and neither any amount is charged back to the Company by any other entity towards his remuneration during the current year till date of August 17, 2022 and previous year.

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

## NOTES

forming part of the Consolidated Financial Statements

### 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 VnL shareholders. The Company has recognized settlement assets (net) amounting to ₹ 63,939 Mn as at March 31, 2023 (₹ 63,939 Mn as at March 31, 2022) of which non current receivable is ₹ 81,204 Mn and current payable is ₹ 17,265 Mn.
- (ii) With respect to options that have already exercised there is an outstanding liability of ₹1,199 Mn payable to entities having significant influence (March 31, 2022: ₹ 1,163 Mn).
- (iii) During the year, the Company has contributed to Gratuity fund amounting to ₹400 Mn (March 31, 2022: ₹ 319 Mn).

### C. The significant related party transactions are summarised below:

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of service</b>		
Vodafone Enterprise Global Limited	1,695	1,515
<b>Purchase of service</b>		
Indus Towers Limited	90,824	95,562
<b>Expense incurred on behalf of</b>		
Vodafone Group Services Limited	-	15
Ghana Telecommunications Company Limited	-	13
<b>Expense incurred on company's behalf by</b>		
Vodafone Group Services Limited	2	-
<b>Issuance of Share Capital against warrants</b>		
Euro Pacific Securities Limited	4,362	-
<b>Proceeds from allotment of Equity Shares</b>		
Euro Pacific Securities Limited	-	26,156
Prime Metals Limited	-	7,594
Oriana Investments PTE Limited	-	11,250
<b>Insurance premium (including advance given)</b>		
Aditya Birla Sun Life Insurance Company Limited	7	18
<b>Security Deposits Received</b>		
Indus Towers Limited	93	-
<b>Donations Received</b>		
Vodafone India Services Private Limited	88	20
Indus Towers Limited	209	113

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

### D. Commitments with Related Parties : ₹ Nil (March 31, 2022 : ₹ Nil )

### E. Compensation of Key Management Personnel of the Company

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	91	53
Post-employment benefits <sup>(1)</sup>	1	1

<sup>(1)</sup>Represents contribution to provident and superannuation funds. As Gratuity expense and Compensated absences expense is based on actuarial valuations on overall basis, the same cannot be computed for individual employees and hence not included.

## NOTES

### forming part of the Consolidated Financial Statements

Government of India ('GoI') holds 33.14% equity shareholding in the Company as at March 31, 2023 (refer Note 3). The Group has certain obligations arising from the telecom license taken from the Department of Telecommunication ('DoT') which is a Ministry of GoI towards license fees, spectrum usage charges, acquisition of spectrum and related deferred payment liability and interest thereon.

Significant transactions undertaken as disclosed below are for the complete year:

Particulars	For the year ended March 31, 2023
License fees	31,147
Spectrum usage charges	8,874
Interest on deferred payment obligations towards spectrum and AGR judgment	158,023
Acquisition of Spectrum	187,863

Balance as at March 31, 2023 are as below:

Particulars	As at March 31, 2023
Other current liabilities	11,040
Borrowings – Deferred payment obligations towards spectrum and AGR judgment and interest accrued thereon	1,962,570

The Company also has other transactions with other departments of GoI which include but are not limited to purchase and sale of goods and services, access charges, loans and interest thereon, various deposits etc which are not individually or collectively significant.

### NOTE 56: 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 which are carried at cost.

Particulars	As at March 31, 2023		As at March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Other investments	-	-	-	-
Trade Receivables	-	21,640	-	24,439
Cash and cash equivalents	-	2,288	-	14,532
Bank balance other than cash and cash equivalents	-	731	-	731
Margin Money Deposits <sup>(1)</sup>	-	6,726	-	20,568
Settlement assets <sup>(1)</sup> (refer note 43(iv))	-	81,209	-	81,204
Deposit with Body Corporates, Government Authorities and Others <sup>(1)</sup>	-	6,094	-	6,444
Interest receivable <sup>(1)</sup>	-	112	-	446
Derivative Financial Assets <sup>(1)</sup>	15	-	-	-
Others <sup>(1)</sup>	-	274	-	289
<b>Total Financial Assets</b>	<b>15</b>	<b>119,074</b>	<b>-*</b>	<b>148,653</b>



# NOTES

forming part of the Consolidated Financial Statements

₹ Mn

Particulars	As at March 31, 2023		As at March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Liabilities</b>				
Fixed Rate loans from banks and others including Interest accrued but not due	-	43,432	-	27,254
Floating Rate loans from banks and others including Interest accrued but not due	-	86,612	-	153,407
Fixed Rate Deferred Payment Obligations including interest accrued but not due	-	1,962,570	-	1,798,121
Trade Payables	-	136,422	-	132,551
Payables for Capital Expenditure <sup>(2)</sup>	-	66,052	-	67,793
Accrual towards One Time Spectrum Charges (OTSC) (refer note 43(vi)) <sup>(2)</sup>	-	56,449	-	49,572
Settlement liabilities (refer note 43(iv)) <sup>(2)</sup>	-	17,270	-	17,265
Derivative Financial Liabilities <sup>(2)</sup>	26	-	102	-
Security Deposits from Customers and Others <sup>(2)</sup>	-	2,960	-	3,058
Lease liabilities	-	361,800	-	228,434
Others <sup>(2)</sup>	1	668	2	670
<b>Total Financial Liabilities</b>	<b>27</b>	<b>2,734,235</b>	<b>104</b>	<b>2,478,125</b>

<sup>(1)</sup> included in other current / non-current financial assets

<sup>(2)</sup> included in other current / non-current financial liabilities

## b) Fair Value Hierarchy

The Group 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, 2023

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Derivative Financial Assets	-	15	-	15
<b>Total Financial Assets</b>	-	<b>15</b>	-	<b>15</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	26	-	26
Others	-	1	-	1
<b>Total Financial Liabilities</b>	-	<b>27</b>	-	<b>27</b>

### ii. Fair value hierarchy of financial liabilities measured at fair value as at March 31, 2022

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	102	-	102
Others	-	2	-	2
<b>Total Financial Liabilities</b>	-	<b>104</b>	-	<b>104</b>

## NOTES

forming part of the Consolidated Financial Statements

- 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
- 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 loans from banks and others including Interest accrued but not due
- Trade Payables
- Payable for capital expenditure
- Accrual towards One Time Spectrum Charges
- Security Deposits from Customers and Others
- Lease Liabilities
- Settlement Liabilities
- Others

**iv. Fair value hierarchy of financial liabilities measured at amortised cost is below:**

₹ Mn					
Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Fixed rate loans from banks and others including interest accrued but not due</b>					
As at March 31, 2023	43,432	-	40,895	-	40,895
As at March 31, 2022	27,254	-	20,948	-	20,948
<b>Fixed rate Deferred Payment Obligations including interest accrued but not due</b>					
As at March 31, 2023	1,962,570	-	,996,407	-	,996,407
As at March 31, 2022	1,798,121	-	1,940,757	-	1,940,757

**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 and interest rate swap with various counterparties. The fair value of such derivatives instruments are determined using forward exchange rates and interest rate curves.

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 57: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, 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 and Interest rate 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. 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, 2023 and March 31, 2022.

#### 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. At March 31, 2023, after taking into account the effect of interest rate swaps, approximately 95.73% of the Group's borrowings are at a fixed rate of interest (March 31, 2022: 92.01%).

#### 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/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

			₹ Mn
Particulars	Increase/decrease in basis points	Effect on profit/ (loss) before tax	
<b>March 31, 2023</b>			
INR - Borrowings	+100	(857)	
	-100	857	
USD - Borrowings	+100	(4)	
	-100	4	
<b>March 31, 2022</b>			
INR - Borrowings	+100	(1,437)	
	-100	1,437	
USD - Borrowings	+100	(88)	
	-100	88	

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

## NOTES

forming part of the Consolidated Financial Statements

### 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 contract is entered into for the purpose of hedging any foreign currency exposure, the Group negotiates the terms of those derivatives contracts to match the terms of the hedged exposure. The Group has major foreign currency risk in USD, EURO and GBP.

The Group has hedged 29.59% (March 31, 2022: 5.47%) of its foreign currency trade payables and other financial liability in USD and 100% (March 31, 2022: 95.92%) of its foreign currency loans in USD. This foreign currency risk is hedged by using foreign currency forward contracts (refer note 46). However the Group has not hedged the foreign currency trade payables in EURO and GBP.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Group's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies other than USD, EURO and GBP is not material.

			₹ Mn
Currency exposure	Change in currency exchange rate	Effect on profit/(loss) before tax	
<b>March 31, 2023</b>			
USD	+5%	(1,073)	
	-5%	1,073	
EURO	+5%	(818)	
	-5%	818	
GBP	+5%	(60)	
	-5%	60	
Currency exposure	Change in currency exchange rate	Effect on profit/(loss) before tax	
<b>March 31, 2022</b>			
USD	+5%	(1,664)	
	-5%	1,664	
EURO	+5%	(729)	
	-5%	729	
GBP	+5%	(59)	
	-5%	59	

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 overnight liquid schemes of mutual funds (overnight liquid investments).

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

### d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

#### - Trade receivables

Customer credit risk is managed in accordance with the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 to 30 days' credit terms. Outstanding customer receivables are regularly monitored.

The Group follows a 'simplified approach' (i.e. based on lifetime Expected credit losses (ECL)) for recognition of impairment loss allowance on Trade receivables. A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Group, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90/120 days from date of billing and b) for other trade receivables on account of Interconnect, Roaming, Fixed line Voice, Fibre infrastructure and data services etc. remaining unpaid beyond 180/365 days. Further, allowance is also recognised for cases indicating any specific trail of credit loss within the ageing brackets mentioned above. Individual trade receivables are written off when management deems them not to be collectible. Any subsequent recovery is recognized as Income in the Consolidated Statement of Profit and Loss. Refer Note 13 for the carrying amount of credit exposure as on the Consolidated Balance Sheet date.

#### - Other financial assets and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Group's Treasury Department periodically, and may be updated throughout the year. The limits are intended to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2023 and March 31, 2022 on its carrying amounts as disclosed in notes 10, 13, 14, 15 and 16 except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instrument is noted in liquidity table below note 57 (e).

### 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. As at March 31, 2023, approximately 4.53% of the Company's debt excluding interest will mature in less than one year, without considering reclassification into current maturity of debt due to covenant breach (March 31, 2022: 4.27%) based on the carrying value of borrowings reflected in the financial statements.

## NOTES

### forming part of the Consolidated Financial Statements

As the Group has already availed the moratorium with respect to AGR and Deferred Spectrum Obligation as referred in Note 3 and based on the past performance and future expectation, the Group believes that cash generated from operations, raising additional funds as required, working capital management, , successful negotiations with lenders and vendors for continued support will satisfy its cash flow requirement associated with repayment of borrowings and other liabilities from its operation (refer note 3, 21(D) and 21(E)).

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, 2023</b>					
Loans from bank and others and Interest thereon <sup>(1)</sup>	130,044	128,824*	15,674	-	144,498
Deferred Payment Obligations and Interest thereon <sup>(2)</sup>	1,962,570	18,455	1,176,113	2,146,037	3,340,605
Trade and other payables <sup>(3)&amp;^^</sup>	258,923	257,818	1,503	-	259,321
Lease liabilities	361,800	144,018	217,572	151,429	513,019
Settlement liabilities (refer note 41(vi))	17,270	17,270	-	-	17,270
Other financial liabilities <sup>(1), (2) &amp;(3)</sup>	3,629	3,629	-	-	3,629
	<b>2,734,236</b>	<b>570,014</b>	<b>1,410,862</b>	<b>2,297,466</b>	<b>4,278,342</b>
Derivatives liabilities <sup>(4)</sup>	26	26	-	-	26
Derivatives assets <sup>(4)</sup>	(15)	(15)	-	-	(15)
	<b>11</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>11</b>
<b>Total</b>	<b>2,734,247</b>	<b>570,025</b>	<b>1,410,862</b>	<b>2,297,466</b>	<b>4,278,353</b>
<b>As at March 31, 2022</b>					
Loans from bank and others and Interest thereon <sup>(1)</sup>	180,661	163,711*	31,654	-	195,365
Deferred Payment Obligations and Interest thereon <sup>(2)</sup>	1,798,121	18	689,302	2,315,090	3,004,410
Trade and other payables <sup>(3)&amp;^^</sup>	249,916	248,288	2,382	-	250,670
Lease liabilities	228,434	123,608	116,809	22,007	262,424
Settlement liabilities (refer note 41(vi))	17,265	17,265	-	-	17,265
Other financial liabilities <sup>(1),(2)&amp;(3)</sup>	3,730	3,685	45	-	3,730
	<b>2,478,127</b>	<b>556,575</b>	<b>840,192</b>	<b>2,337,097</b>	<b>3,733,864</b>
Derivatives liabilities <sup>(4)</sup>	102	102	-	-	102
<b>Total</b>	<b>2,478,229</b>	<b>556,677</b>	<b>840,192</b>	<b>2,337,097</b>	<b>3,733,966</b>

<sup>(1)</sup> Interest accrued but not due of ₹ 2,752 Mn (March 31, 2022: ₹ 2,636 Mn) has been excluded from other financial liabilities and included in loans from banks and others and interest thereon.

<sup>(2)</sup> Interest accrued but not due of ₹ 74,002 Mn (March 31, 2022: ₹ 66,970 Mn) has been excluded from other financial liabilities and included in deferred payment obligations and interest thereon.

<sup>(3)</sup> Payable for capital expenditure of ₹ 66,046 Mn (March 31, 2022: ₹ 67,793 Mn) and Accrual towards One Time Spectrum Charges (OTSC) of ₹ 56,449 Mn (March 31, 2022: ₹ 49,572 Mn) has been excluded from other financial liabilities and included in trade and other payables.

<sup>(4)</sup> Included as part of maturity profile as the underlying of these derivatives are borrowings and other financial liabilities included above.

\* The Company has classified an amount of ₹ 39,271 Mn (March 31, 2022: ₹ 68,131 Mn) from non-current borrowings to current maturities of long term debt although the Company is confident that there will be no acceleration of payment in this regard (refer note 21(D)).

^^Includes payable for capital expenditure of ₹ 47,648 Mn (March 31, 2022 : ₹ 35,770 Mn) due for payment.

## NOTES

forming part of the Consolidated Financial Statements

### NOTE 58: 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.

Particulars			₹ Mn
	As at March 31, 2023	As at March 31, 2022	
Long term borrowings			
Loans from banks and others	9,351	28,363	
Deferred payment obligations	1,883,550	1,731,145	
Short term borrowings	122,959	149,669	
Less: Cash and cash equivalents	(2,288)	(14,532)	
Less: Fixed deposits with banks having maturity of 3 to 12 months	(59)	(57)	
<b>Net debt (A)</b>	<b>2,013,513</b>	<b>1,894,588</b>	
Equity share capital	486,797	321,188	
Other Equity	(1,230,388)	(940,836)	
<b>Total Equity (B)</b>	<b>(743,591)</b>	<b>(619,648)</b>	
<b>Net Debt-equity ratio (A)/(B)</b>	<b>(2.71)</b>	<b>(3.06)</b>	

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and year ended March 31, 2022.

### NOTE 59: ADDITIONAL DISCLOSURE AS PER REQUIREMENT OF SCHEDULE III

#### A. Net Assets of the Company, its subsidiaries, joint ventures and associate as at March 31, 2023 and March 31, 2022

Name of the entity in the Group									₹ Mn
Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive Income / (Loss)		Share in total comprehensive Income / (Loss)			
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)	Amount		
<b>Vodafone Idea Limited</b>									
31-Mar-23	99.30%	(738,388)	100.02%	(293,078)	85.59%	95	100.03 %	(292,983)	
31-Mar-22	99.15%	(614,362)	99.97%	(282,372)	100.00%	89	99.97 %	(282,283)	
<b>Subsidiaries</b>									
<b>Vodafone Idea Manpower Services Limited</b>									
31-Mar-23	0.00 %	28	0.00%	4	7.21%	8	0.00 %	12	
31-Mar-22	0.00 %	15	0.00%	2	2.25%	2	0.00 %	4	
<b>Vodafone Idea Telecom Infrastructure Limited</b>									
31-Mar-23	0.94 %	(7,018)	0.39%	(1,130)	2.70%	3	0.38 %	(1,127)	
31-Mar-22	0.95 %	(5,892)	0.50 %	(1,400)	(4.49)%	(4)	0.50 %	(1,404)	



# 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)	
	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)	Amount
<b>Vodafone Idea Business Services Limited</b>								
31-Mar-23	0.13 %	(981)	(0.07%)	203	0.00%	-	(0.07)%	203
31-Mar-22	0.19 %	(1,185)	(0.46)%	1,303	0.00 %	-	(0.46)%	1,303
<b>Vodafone Idea Communication Systems Limited</b>								
31-Mar-23	(0.31)%	2,320	(0.05%)	145	0.00%	-	(0.05)%	145
31-Mar-22	(0.35)%	2,175	(0.09)%	241	0.00 %	-	(0.09)%	241
<b>Vodafone Foundation</b>								
31-Mar-23	0.00 %	-*	0.00%	(2)	0.00%	-	0.00 %	(2)
31-Mar-22	0.00 %	1	0.00 %	3	0.00 %	-	0.00 %	3
<b>Connect (India) Mobile Technologies Private Limited (refer note 41(ix))</b>								
31-Mar-23	0.00 %	-	0.00%	-	0.00%	-	0.00 %	-
31-Mar-22	(0.04)%	243	0.00 %	3	0.00 %	-	0.00 %	3
<b>Vodafone m-pesa Limited</b>								
31-Mar-23	0.12 %	(884)	0.00%	4	0.00%	-	0.00 %	4
31-Mar-22	0.14 %	(888)	0.00 %	11	0.00 %	-	0.00 %	11
<b>Vodafone Idea Technology Solutions Limited</b>								
31-Mar-23	0.02 %	(125)	0.00%	(13)	0.00%	-	0.00 %	(13)
31-Mar-22	0.02 %	(112)	0.00 %	(14)	0.00 %	-	0.00 %	(14)
<b>Vodafone Idea Shared Services Limited</b>								
31-Mar-23	(0.03)%	229	(0.01%)	34	4.50%	5	(0.01)%	39
31-Mar-22	(0.03)%	192	(0.02)%	63	1.12 %	1	(0.02)%	64
<b>You Broadband India Limited</b>								
31-Mar-23	0.10 %	(724)	0.15%	(452)	0.00%	-*	0.15 %	(452)
31-Mar-22	0.04 %	(272)	0.10 %	(294)	1.12 %	1	0.10 %	(293)
<b>Associate</b>								
<b>Aditya Birla Idea Payments Bank Limited</b>								
31-Mar-23	0.00 %	-	0.00%	-	0.00%	-	0.00 %	-
31-Mar-22	0.00 %	-	0.00%	-	0.00%	-	0.00 %	-
<b>Joint ventures</b>								
<b>Firefly Networks Limited</b>								
31-Mar-23	0.00 %	-	0.00%	5	0.00%	-	0.00 %	5
31-Mar-22	0.00 %	-	0.00 %	12	0.00 %	-	0.00 %	12
<b>Consolidation Adjustments</b>								
31-Mar-23	(0.26)%	1,952	(0.43%)	1,269	0.00%	-	(0.43)%	1,269
31-Mar-22	(0.07)%	437	0.00%	(12)	0.00%	-	0.00 %	(12)
<b>Total</b>								
31-Mar-23	100.00 %	(743,591)	100.00 %	(293,011)	100.00 %	111	100.00 %	(292,900)
31-Mar-22	100.00 %	(619,648)	100.00 %	(282,454)	100.00 %	89	100.00 %	(282,365)

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

## NOTES

forming part of the Consolidated Financial Statements

### B) Relationship with struck off companies

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Maxwell Solutions Private Limited	Payables	-*	-*	2	2	Vendor
Kavi Constructions Private Limited	Payables	-	-*	-	-	Vendor
E2E Solutions Pvt. Ltd.	Payables	-*	-*	-*	-*	Vendor
Miheer Engineering Services Pvt Ltd	Payables	-*	-	1	1	Vendor
E Charge Tech Pvt Ltd	Payables	-	-	1	1	Vendor
Sayali Interiors Pvt Ltd	Payables	-	-	-*	-*	Vendor
Nexus Connexions Private Limited	Payables	-	-*	-*	-*	Vendor
Power Charge Services Pvt Ltd	Payables	-	-*	-*	-*	Vendor
Shachi Technologies Pvt. Ltd.,	Payables	-	-	-*	-*	Vendor
Vistaas Digital Media Pvt Ltd	Payables	-*	-	-*	-*	Vendor
Skan Bpo Private Limited	Payables	-	-	-*	-*	Vendor
Gbc Infotech Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Vriti Infocom Pvt Ltd	Payables	-	-*	-*	-*	Vendor
Bajoria Sales Pvt Ltd	Payables	-	-	-*	-*	Vendor
Wdc Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Eknovate Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Ezee Eon Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Msl Proximiti Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Tech Brahma Services Pvt Ltd	Payables	-	-	-*	-*	Vendor
True Eon Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Cb Data Solution Pvt Ltd	Payables	-	-	-*	-*	Vendor
Vites Infotech India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Knowledge Works India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Matha Corporate Solutions Pvt Ltd	Payables	-	-*	-*	-*	Vendor
Copsdiwa Tech Pvt Ltd	Payables	-	-	-*	-*	Vendor
Fybraint Technologies Pvt Ltd	Payables	-	-	-*	-*	Vendor
Septum Networks India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Shivanee Infra Tech Pvt.Ltd	Payables	-	-	-*	-*	Vendor
Wondertree Hr Consulting Pvt Ltd	Payables	-	-	-*	-*	Vendor
Faiz Recycling Private Limited	Payables	-	-	-*	-*	Vendor
Swasthik Sahits Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Safal Agri Biotech Pvt Ltd	Payables	-	-	-*	-*	Vendor
Eloqunc Consulting Pvt Ltd	Payables	-	-	-*	-*	Vendor
Ragathirumala Enterprises Pvt Ltd	Payables	-	-	-*	-*	Vendor
Subten Technologies Pvt Ltd	Payables	-	-	-*	-*	Vendor
Imind Cellworks Pvt Ltd	Payables	-	-	-*	-*	Vendor
Chemiron Impex Private Limited	Payables	-*	-	-	-*	Vendor
Ciro It Solutions Pvt Ltd	Payables	-	-	-*	-*	Vendor
Bestshop99 Trading Private Limited	Payables	-	-	-*	-*	Vendor
Ayuno Soluzione Pvt Ltd	Payables	-	-	-*	-*	Vendor

# NOTES

forming part of the Consolidated Financial Statements

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Estoem Infovision India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Raju Call Info Pvt Ltd	Payables	-	-	-*	-*	Vendor
Ensemble Furniture Limited	Payables	-	-	-*	-*	Vendor
Nosyworld Solutions Private Limited	Payables	-	-	-*	-*	Vendor
Spark Fincorp India Limited	Payables	-	-	-*	-*	Vendor
One M Infomedia Private Limited	Payables	-*	-	-*	-*	Vendor
Planet M Retail Ltd	Payables	-	-	-*	-*	Vendor
Leonine Business Franchise Pvt Ltd	Payables	-	-	-*	-*	Vendor
Windz Express (P) Ltd	Payables	-	-	-*	-*	Vendor
Aargam Computers Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Activ4Pets India Private Limited	Payables	-	-*	-*	-*	Vendor
Big Millionaire Multitarde Pvt Ltd	Payables	-	-	-*	-*	Vendor
Itmarg Solutions Private Limited	Payables	-	-	-*	-*	Vendor
Firstpriority Logistics Pvt Ltd	Payables	-	-	-*	-*	Vendor
Proto Financial Services Pvt Ltd	Payables	-	-*	-*	-*	Vendor
Wpi Tele Info Pvt Ltd	Payables	-	-	-*	-*	Vendor
H K Mobiles Pvt Ltd	Payables	-	-	-*	-*	Vendor
Bernhard Consultancy Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Mm Communication Pvt Ltd	Payables	-	-*	-*	-*	Vendor
Rawelcom Services India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Core Hr Services Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Tethys Telecom Private Limited	Payables	-	-	-*	-*	Vendor
Vvidia Communications Pvt Ltd	Payables	-	-*	-*	-*	Vendor
True Value Inn Pvt Ltd	Payables	-	-	-*	-*	Vendor
Guru Caf Management Pvt. Ltd.	Payables	-	-	-*	-*	Vendor
Auto Track Systems India Limited -	Payables	-	-	-*	-*	Vendor
Imbue Infotech Pvt Ltd	Payables	-	-	-*	-*	Vendor
Evis Infoware India Pvt Ltd	Payables	-	-	-*	-*	Vendor
Crossbow Infotech Pvt Ltd	Receivables	-	-	1	1	Vendor
Strop Softech Private Limited	Receivables	-	-*	-*	-*	Customer
Shrinathji Netsol (India)	Receivables	-*	-	-*	-*	Customer
Starvice Technologies Pvt Ltd	Receivables	-	-	1	1	Customer
Agape Communications Pvt Ltd	Receivables	-	-*	-*	-*	Customer
Wizard Infocom Pvt. Ltd.	Receivables	-	-	-*	-*	Customer
Infra-Red Coastal Ventures Pvt. Ltd	Receivables	-	-	0	-*	Customer
SIn Tele Services Pvt Ltd	Receivables	-	-	-*	-*	Customer
Bnr Communications Private Limited	Receivables	-	-	-*	-*	Customer
Eupraxis Technology Pvt.	Receivables	-	-	-*	-*	Customer
Ares Management Services Pvt Ltd	Receivables	-	-	-*	-*	Customer
Taj Technotech Ltd	Receivables	-	-	-*	-*	Customer
Abs Homes Developers India Pvt Ltd	Receivables	-	-	-*	-*	Customer

# NOTES

forming part of the Consolidated Financial Statements

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
5A Information Technologies Pvt Ltd	Receivables	-	-	-*	-*	Customer
Tls It Solutions India Pvt Ltd	Receivables	-	-	-*	-*	Customer
Landmark Motors	Receivables	-	-	-*	-*	Customer
Tqs Infotech Private Limited	Receivables	-	-	-*	-	Customer
Yellow Tech Solutions Pvt. Ltd	Receivables	-	-	-*	-*	Customer
Care Esolutions Private Limited	Receivables	-	-	-*	-*	Customer
Arpanam Innovative Solutions	Receivables	-*	-	-*	-*	Customer
Capative Karan Project Pvt Ltd	Receivables	-	-	-*	-*	Customer
Patroun Corporate Agency Pvt Ltd	Receivables	-	-	-*	-*	Customer
Kp Tradeline Private Limited	Receivables	-	-	-*	-*	Customer
Peniel Consultants Private Limited	Receivables	-	-*	-*	-*	Customer
Sitechs Bpo Private Limited	Receivables	-	-*	-*	-*	Customer
Oceanin Info Solutions Pvt Ltd	Receivables	-	-	-*	-*	Customer
Aintu Services Private Limited	Receivables	-*	-	-	-*	Customer
Home Aspira Online Pvt Ltd	Receivables	-	-	-*	-*	Customer
V2V Enterprises Private Limited	Receivables	-	-	-*	-*	Customer
Agastya Logistics Pvt Ltd	Receivables	-	-	-*	-*	Customer
Ornatus Solutions Pvt Ltd	Receivables	-	-	-*	-*	Customer
Datasys E Services Pvt Ltd	Receivables	-	-	1	1	Customer
Getit Infoservices Private Limited	Receivables	-*	-*	5	5	Customer
Expomark Exhibition Organizers Private Limited	Receivables	-	-	-*	-*	Customer
Somya Infoedge Private Limited	Payables	-	-	-*	-*	Customer
Akhuratha Communications Private Limited	Payables	-	-	1	1	Customer
Tashi Infocom Private Limited	Payables	6	6	-*	6	Customer
Unicall Private Limited	Receivables	-	-	6	6	Customer
Anr Com - Serve Private Limited	Payables	-	-	-*	-	Customer
Genesis Infosolutions Private Limited	Payables	-	-	-*	-*	Customer
Value Minds It Services Private Limited	Payables	-	-	-*	-*	Customer
Guru Integrated Services Private Limited	Payables	-	-	-*	-*	Customer
Idha E Tail Arks Private Limited	Payables	-	-	-*	-	Customer
Talk On Net Private Limited	Receivables	-	-	1	1	Customer
Wtel Communications India Private Limited	Receivables	-	-	-*	-*	Customer
Vcraft Bpo Services Private Limited	Receivables	-	-	-*	-*	Customer
Everest Distrubutors Pvt Ltd	Payables	-*	-*	-*	-*	Customer
Sfs Corporate Services Private Limited	Payables	-*	-*	1	1	Customer

# NOTES

forming part of the Consolidated Financial Statements

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Allianz Management Solutions Private Limited	Receivables	-	-	1	1	Customer
Sae Retail Private Limited	Payables	-	-*	-*	-*	Customer
Binbit Mobile India Private Limited	Payables	-	-*	-*	-*	Vendor
Jerry Mouse Technologies Private Limited	Payables	-	-*	-*	-*	Vendor
Chemiron Impex Pvt. Ltd.	Receivables	-	-	-*	-*	Vendor
Machine Works (International) Ltd	Receivables	-	-	-*	-*	Vendor
Winsel Marketing Private Limited	Receivables	-	-	-*	-*	Vendor
Alates Technical Pest Control Private Limited	Receivables	-	-	-*	-*	Vendor
Safeguard Manpower Services Private Limited	Payables	-*	-*	-*	-*	Vendor
Translife Logistics Private Limited	Receivables	-	-	-*	-*	Vendor
Suryanandan Texturisers Ltd	Payables	-	-	1	1	Vendor
Tranz Vision Digital Media Private Limited	Receivables	-	-	-*	-*	Vendor
Grandways Couriers Private Limited	Payables	-*	-*	-	-*	Vendor
Bandu Software Solutions Private Limited	Payables	-	-	-*	-*	Vendor
Airhub Technologies Private Limited	Payables	-	-	-*	-*	Vendor
Narang International Limited	Receivables	-*	-*	-*	-*	Vendor
Nexzen Agency India Company Private Limited	Payables	-	-	-*	-*	Vendor
Abhiyaan Teleinfra Private Limited	Payables	1	-	-	1	Vendor
Global Visionaries Eventz Private Limited	Receivables	-	-	2	2	Vendor
Speed Mail Distribution Private Limited	Payables	-	-	-*	-*	Vendor
Savvy Management Services Private Limited.	Receivables	-	-	-*	-*	Vendor
Sharvari Build-Con Private Limited	Receivables	-	-	-*	-*	Vendor
Shri Dharmasastha Logistics Private Limited	Payables	-	-	-*	-*	Vendor
Gopala Sweets Private Limited	Payables	-*	-*	-*	-	Vendor
Penshell Design Private Limited	Payables	-*	-	-	-*	Vendor
Cloudric Technologies Private Limited	Payables	-*	-*	1	1	Vendor
Studio 77 Events & Activations Private Limited	Payables	-	-	-*	-*	Vendor

## NOTES

forming part of the Consolidated Financial Statements

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Exelence Marketing Services Private Limited	Receivables	-	-	-*	-*	Vendor
Lucivid Software Systems Private Limited	Receivables	-	-	-*	-*	Vendor
V D Intellisys Technologies Private Limited	Payables	-*	-*	-	-*	Vendor
Genius Consultants Pvt. Ltd	Receivables	-*	-*	-*	-*	Vendor
Sri Rama Telecom & Infratech Private limited	Payables	-	-	1	1	Vendor
Pc Infradevelopers Private Limited	Payables	-	-	-*	-*	Vendor
Natural Printings Private Limited	Receivables	-	-	-*	-*	Vendor
Omega Telenet Engineering Private Limited	Receivables	-	-	-*	-*	Vendor
Ezeeconnect Messaging Services Private Limited	Receivables	-	-	-*	-*	Vendor
Birla Telecom Limited	Receivables	-	-	-*	-*	Vendor
Wilnet Communications Private Limited	Receivables	-	-	-*	-*	Vendor
K.B. Sales Private Limited	Receivables	-	-	-*	-*	Vendor
Fort Oasis Maintenance Private Limited	Receivables	-	-	-*	-*	Vendor
Red Sun Taxi Services Private Limited	Receivables	-	-	-*	-*	Vendor
Palmgrove Hotels Private Limited	Payables	-*	-	-*	-	Vendor
Scalable It Solutions (Hyd) Private Limited	Receivables	-	-	-*	-*	Vendor
Knowledge Calls Technologies Private Limited	Receivables	-	-	-*	-*	Vendor
Home Front Commercial Services Private Limited	Receivables	-	-	-*	-*	Vendor
J.S.P. Mobile Solutions Private Limited	Receivables	-	-*	-*	-*	Vendor
Prosync Business Solutions Private Limited	Payables	-	-	-*	-*	Vendor
Madhuraj Enterprises Private Limited	Payables	-	-*	-*	-*	Vendor
Solaris Credit Services Private Limited	Receivables	-	-	-*	-*	Vendor
Qualitative Market Research Private Limited	Receivables	-	-	-*	-*	Vendor
Ipdc Infotech Private Limited	Receivables	-	-	-*	-*	Vendor

## NOTES

forming part of the Consolidated Financial Statements

₹ Mn

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Index Communications Private Limited	Payables	-	- *	- *	- *	Vendor
Ishta Communications Private Limited	Payables	-	-	- *	- *	Vendor
Corptel Infomedia India Private Limited	Receivables	-	- *	- *	- *	Vendor
Telcon Bpo India Private Limited	Receivables	-	-	- *	- *	Vendor
Fyntalk Communications Private Limited	Payables	-	-	- *	- *	Vendor
Setia Technologies Private Limited	Payables	-	-	- *	- *	Vendor
Chaitanya Detective Services Private Limited	Receivables	-	-	- *	- *	Vendor
Emerge Marcom Private Limited	Payables	-	-	- *	- *	Vendor
Blue Star Telecom Private Limited	Receivables	-	-	- *	- *	Customer
J K Cement Pvt Ltd	Receivables	-	-	- *	- *	Customer

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

### NOTE 60: INTEREST IN OTHER ENTITIES

The joint ventures / associate of the Group as at March 31, 2023 and March 31, 2022 are listed below and have share capital consisting solely of equity shares which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% of ownership interest as at March 31		Relationship	Accounting method	Quoted fair value as at March 31		Carrying amount as at March 31	
		2023	2022			2023	2022	2023	2022
ABIPBL <sup>(1)</sup>	India	49.00%	49.00%	Associate	Equity Method	*	*	-	-
FNL	India	50.00%	50.00%	Joint Venture	Equity Method	*	*	58	53

\* Unlisted entity- no quoted price available

<sup>(1)</sup> ABIPBL is currently under liquidation and hence company has made a provision for the entire amount of investment in the Company.

The aggregate information of immaterial joint venture is as follows :

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of investments	58	53



**Group's share in immaterial joint venture is as follows :**

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit/ (loss)	5	12
Total comprehensive income/(loss)	5	12

**The aggregate information of immaterial associate is as follows :**

₹ Mn

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of investments (Net of impairment provision)	-	-

**Group's share in immaterial associate is as follows :**

₹ Mn

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit/ (loss)	-	-
Total comprehensive income/(loss)	-	-

**NOTE 61**

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

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

**Nilangshu Katriar**

Partner

Membership No.: 58814

Place: Mumbai

Date : May 25, 2023

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

**Ravinder Takkar**

Non-Executive Chairman  
(DIN : 01719511)

**Akshaya Moondra**

Chief Executive Officer

**Himanshu Kapania**

Non-Executive Director  
(DIN : 03387441)

**Murthy G.V.A.S.**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

**Vodafone Idea Limited**  
Suman Tower, Plot No. 18, Sector - 11,  
Gandhinagar - 382 011, Gujarat

**[www.myvi.in](http://www.myvi.in)**