

# ENVISIONING A BETTER TOMORROW.



# The Chairman's Letter to Shareholders

Dear Shareholder,

## Global Economy:

The global economy recorded a healthy growth of 3.6% in 2018. During the second half of the year, however, the global economy lost some momentum, mainly on account of the increased trade frictions between the US and China, and the tightening of financial conditions. International Monetary Fund (IMF) expects growth to decelerate to 3.3% in 2019 and its projections suggest that all three major engines of the global economy, viz. US, China and Euro area are likely to decelerate in 2019. On the positive side, however, IMF expects world economic output to recover and grow at 3.6% in 2020.

Of late, there have been a few growth-supportive factors such as the announcement of economic stimulus in China and halt to the process of monetary policy tightening in developed countries. But the business sentiment has become somewhat clouded with challenges arising from the



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**Macroeconomic stability indicators broadly maintained their health. Low inflation has created the space for monetary policy easing, which will also help support growth revival.**

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apparent setback to the US-China trade talks, the spread of trade frictions to technology sectors and the increased intermingling of economic policies. These challenges signal that global commodity prices could be under pressure.

#### **Indian Economy:**

Indian economy exhibited mixed record in the just concluded fiscal. GDP growth slowed from 7.2% in FY18 to 6.8% in FY19. Sub-par rainfall in 2018, tight financial conditions faced by the non-banking financial sector and moderation of external demand were the key challenges faced by the economy. Consumption growth declined during the second half of the year, but there were some signs of revival in the investment cycle, as the rate of gross fixed capital formation improved from 31.4% of GDP in FY18 to 32.3% in FY19.

Macroeconomic stability indicators broadly maintained their health. Low inflation has created the space for monetary policy easing, which will also help support growth revival. The fiscal deficit target for FY19 was adhered to, despite a shortfall in tax revenues. While the current account deficit was high at 2.6% of GDP during the first three quarters of FY19, the softness in international oil prices portends its narrowing in the coming quarters. Following the resounding political mandate for the ruling Government, expectations of further economic reforms and impetus to large infrastructure investments have been reinforced. These are reflected in strong inflows in the capital market, taking equity indices to record levels in the weeks following the general elections.

India's medium-term growth prospects continue to be robust. Significant reforms undertaken in the recent years such as GST and insolvency code would raise India's

growth potential in the coming years, amplifying the effect of the long-term structural cornerstones of the Indian growth story such as demography and urbanization. In the near-term, however, uncertainty over the forthcoming monsoon season and the heightened global risks present headwinds for FY20. Accordingly, the outlook for the Indian economy in FY20 is one of cautious optimism at this juncture.

### Your Company's Performance

Effective August 31, 2018, Vodafone India Ltd. merged with your company leading to the creation of Vodafone Idea Limited, a partnership between two strong promoters Aditya Birla Group and Vodafone Group.

Your Company is now one of India's leading telecommunications company offering voice, data, enterprise services and several other value added services ("VAS"), including short messaging services, digital services, content, and enterprise solutions. Your Company not only has the highest subscriber market share of 33.7% with 333.6 million active subscribers as of May 31, 2019, it is also the market leader in the growing enterprise segment services such as IoT.

The Indian telecom operators continue to operate in tough market conditions as competitive pressures forced operators to offer pricing plans, which are the cheapest in the world. This, coupled with massive investment requirements for expansion of broadband coverage and capacity has significantly worsened the existing financial stress in the Indian telecom sector overall and further undermined the position of all operators. Hence, pricing revival is now imperative for the long term sector health.

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**Your Company is now one of India's leading telecommunications company offering voice, data, enterprise services and several other value added services ("VAS"), including short messaging services, digital services, content, and enterprise solutions.**

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**Your Company has also successfully closed, India's largest rights issue offering of Rs. 25,000 crores with strong demand from existing and new shareholders.**

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While the operating challenges remain, the consolidation in the industry has resulted in the creation of three large private and one public sector operator who are poised to benefit from the long term sector opportunities with rising broadband penetration and ever-increasing data demand. Your Company with its largest spectrum portfolio, a nationwide network of sites and optical fiber, wide distribution reach and strong customer affinity for its two brands - Vodafone and Idea, is very well positioned to be successful in this new, consolidated marketplace.

Your company is focused on accelerated integration of erstwhile entities with a very clearly defined strategy, having no dependencies on external factors. The outcome of exhaustive planning is a well-defined five-pillar strategy – (i) accelerated execution integration (ii) prioritizing investment in profitable areas, (iii) driving ARPU up with simplification and upselling, (iv) focus on partnerships to drive value and (v) strengthening the balance sheet. This forms the blueprint basis which several strategic initiatives have been undertaken to improve revenue, profitability and competitive position in the marketplace. Within just seven months of the merger, your Company has already achieved several milestones, well ahead of the expected timeline and is on track to deliver the guided synergies envisaged at the time of the merger.

Your Company has also successfully closed, India's largest rights issue offering of Rs. 25,000 crores with strong demand from existing and new shareholders.

## **Outlook**

With industry consolidation now over, we believe that all existing operators are well placed to benefit from the

several opportunities ahead. Customer needs continue to evolve with higher demand and consumption of both voice and data.

India's young population is spearheading this growth via increasing social media usage and consumption of content, through both video and audio apps. Further, rural penetration is still at a relatively low level of 57.1%, indicating nearly 300-400 million Indians are yet to adopt mobile services and join the ongoing digital revolution.

In the enterprise domain, the rapid adoption of new-age technologies – IoT, Cloud, Artificial Intelligence etc. are opening a new world of opportunities for telecom operators. Likewise, the Government's thrust on Digitalization via strategic programs such as Digital India, Smart City and Bharat Net require robust nationwide broadband connectivity for seamless delivery and execution, enhancing prospects of the telecom sector overall.

Your Company continues to focus on diligent execution of its stated strategy to optimize the opportunities ahead. With its strong spectrum portfolio, nationwide network footprint, aggressive broadband investments and complementary brands – Vodafone and Idea, your company is well placed to benefit from these trends.

Yours sincerely,



**Kumar Mangalam Birla**

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**Your Company  
continues to focus  
on diligent execution  
of its stated strategy  
to optimize the  
opportunities ahead.**

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# Board of Directors



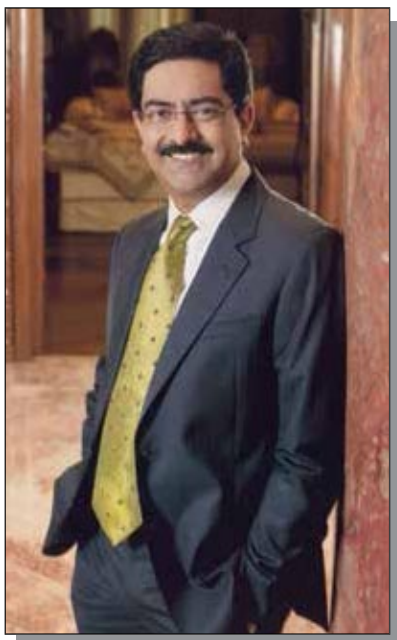
**Mr. Arun Adhikari**  
Independent Director  
(w.e.f. August 31, 2018)



**Mr. Arun Thiagarajan**  
Independent Director



**Mr. Ashwani Windlass**  
Independent Director  
(w.e.f. August 31, 2018)



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



**Mr. D. Bhattacharya**  
Non-Executive Director  
(w.e.f. August 31, 2018)



**Mr. Himanshu Kapania**  
Non-Executive Director  
(Managing Director upto  
August 31, 2018)



**Mr. Krishnan Ramachandran**  
Independent Director  
(w.e.f. December 27, 2018)



**Ms. Neena Gupta**  
Independent Director  
(w.e.f. September 17, 2018)



**Mr. Ravinder Takkar**  
Non-Executive Director  
(w.e.f. August 31, 2018)



**Mr. Suresh Vaswani**  
Independent Director  
(w.e.f. February 8, 2019)



**Mr. Thomas Reisten**  
Non-Executive Director  
(w.e.f. August 31, 2018)



**Mr. Vivek Badrinath**  
Non-Executive Director  
(w.e.f. August 31, 2018)

# Corporate Information

## **Chief Executive Officer**

Mr. Balesh Sharma  
(w.e.f. August 31, 2018)

## **Chief Financial Officer**

Mr. Akshaya Moondra

## **Company Secretary**

Mr. Pankaj Kapdeo

## **Statutory Auditors**

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

## **Cost Auditors**

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

## **Secretarial Auditors**

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

## **Registrar and Share Transfer Agents**

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

## **Debenture Trustee**

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

## **Corporate Office**

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

## **Catalyst Trusteeship Limited**

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

## **Registered Office**


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

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

L32100GJ1996PLC030976

## **Website**

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



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## Directors' Report

Dear Shareholders,

We have pleasure in presenting the Twenty Fourth Annual Report, together with the audited financial statements of the Company for the Financial Year ended March 31, 2019.

### Company Overview:

The merger of Vodafone India Limited and Vodafone Mobile Services Limited into your Company effective from August 31, 2018, has led to creation of Vodafone Idea Limited, a partnership between two strong promoters Aditya Birla Group and Vodafone Group. Post-merger, your Company is a leading telecommunications operator in India offering voice, data, enterprise services and other value added services ("VAS"), including short messaging services, digital services, content, IoT and enterprise solutions etc. As of March 31, 2019, the subscriber base of your Company stands at 368.3 Mn (on VLR), with subscriber market share of 36.0%, which is highest in the Industry. The Revenue Market Share (RMS) on Gross Revenue basis (GR) for your Company stands at 32.8% (excluding BSNL/ MTNL wireline) for the quarter ended March 2019.

Your Company provides Voice and Data services on 2G, 3G and 4G technologies across all 22 service areas and has strong spectrum portfolio and network footprint to support the burgeoning demand for both, data and voice. Your Company has the largest spectrum holding amongst all Indian telecom operators comprising 1,849.6 MHz spectrum across 22 circles, of which 1,714.8 MHz is liberalised spectrum which can be used towards deployment of any technology.

Your Company's mobile telecommunication services cover approximately 1 billion Indians. As of March 31, 2019, your Company has around 372,000 broadband (3G+4G) sites and all of the 4G sites are VoLTE enabled, creating a better customer experience. The broadband network is spread over 273,000 towns and villages and covers approximately 69% of the Indian population, while 4G networks covers approximately 65% of Indian population. Your Company has a portfolio of ~345,000 km of Optical Fiber Cable (OFC), including own built and Indefeasible Right of Use (IRU) OFC. Your Company has started deployment of latest technology of Dynamic Spectrum Re-farming (DSR), Massive MIMO and Small cells to maximize spectrum efficiency. Additionally, your Company has started deploying LTE on TDD in 2300 MHz and 2500 MHz spectrum bands to expand the capacity and on 900 MHz band on select sites to improve customer experience in dense areas. Your Company also derives revenue from

carrying India inbound ILD traffic through arrangements with other mobile telecommunications companies and long distance carriers operating outside India.

All of your Company's services and products are currently offered under  and  brands. Both the brands are complementary in nature and have generated strong customer affinity throughout the years. The strength of brands and advertising is reflected in several brand recognition awards that your Company has won. Idea was listed among the top three brands in the Telecom category in AFAQS! India's Buzziest Brands of 2018. Vodafone India won two silver and three bronze awards in EFFIES 2018 and won the Emvies Media client of the year 2018.

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

### Financial Results

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, 2019 which are not comparable with the figures for the previous financial year due to the merger of Vodafone Mobile Services Limited and Vodafone India Limited during this financial year, as mentioned subsequently in this report, are summarized as follows:

(in ₹ Mn)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Income from Services	367,668	278,000	370,056	282,471
Other Operating Income	920	286	869	318
Other Income	10,733	6,065	7,311	3,530
Total Revenue	379,321	284,351	378,236	286,319
Operating Expenses	329,799	221,843	330,495	222,314
EBITDA	49,522	62,508	47,741	64,005

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Depreciation and Amortisation	144,098	83,148	145,356	84,091
EBIT	(94,576)	(20,640)	(97,615)	(20,086)
Interest and Finance charges	94,713	48,968	94,628	48,130
EBT	(189,289)	(69,608)	(192,243)	(68,216)
Exceptional Items (Net)	12,367	-	8,521	-
Share of JV/Associates	-	-	1,968	3,224
Taxes	(36,362)	(25,025)	(35,715)	(23,310)
Profit/(Loss) after Tax	(140,560)	(44,583)	(146,039)	(41,682)
Other Comprehensive Income, net of tax	(3,198)	(4,517)	328	283
Total Comprehensive Income	(143,758)	(49,100)	(145,711)	(41,399)

The results for the current financial year include the results of the erstwhile Vodafone Mobile Services Limited (VMSL) and Vodafone India Limited (VInL) which merged into the Company effective August 31, 2018 for the period subsequent to that date till the end of the financial year (Refer Note 3 to the Standalone Financial Statements for further details). Accordingly, the figures for the current financial year ended March 31, 2019 are not comparable with the figures of the previous financial year ending March 31, 2018.

Standalone revenue of your Company stood at ₹ 368,588 Mn, an increase in annual revenue for this year by 32.5%. The EBITDA fell to ₹ 49,522 Mn, registering a decline of 20.77% over the previous year. The Net Loss of the Company for the Financial Year March 31, 2019 stood at ₹ 143,758 Mn, for Financial Year 2018-19 vis-à-vis ₹ 49,100 Mn, for the previous year.

On a consolidated basis, the total revenues stood at ₹ 378,236 Mn, an increase of 32.1% over the previous year. The EBITDA at ₹ 47,741 Mn reflects decrease of 25.41% as compared to the previous year. The consolidated Net Loss stood at ₹ 145,711 Mn, for Financial Year 2018-19 vis-à-vis ₹ 41,399 Mn for the previous year.

### Operations Review

The Indian wireless industry has continued to remain under significant pressure with unrelenting pricing pressure since launch of services by the new 4G mobile operator in September 2016. All the operators are forced to sell at heavily discounted tariffs, in order to ring-fence their existing

customers, which has led to significant ARPU erosion. As a result the Gross Revenue (GR) for FY19 has declined by nearly ₹ 304 Bn in last two years, a fall of 16.0% compared to FY17, inspite of increase in active subscribers.

While the operating environment continues to remain challenging, the industry has now consolidated into three large private players, i.e. Vodafone Idea, Bharti and Jio, and one government operator, i.e. BSNL/ MTNL, with all operators committed to support the growing data demand. With unlimited offerings getting more traction, the subscribers are migrating their usage to single SIM. Additionally, the launch of 'service validity vouchers' by Vodafone Idea and Bharti Airtel which requires customers to make a minimum recharge of ₹ 35 (28 days validity) to continue to use the network, led to further consolidation of subscribers in the second half of FY19.

Industry VLR subscriber base stands increased to 1,022 Mn as of March 31, 2019 compared to 998 Mn as of March 31, 2018, of which the top three operators comprise of more than 93%. During FY19, industry broadband penetration continued to improve supported by heavily discounted data prices, increasing affordability of smartphones and rising income levels. Wireless broadband subscriber are now 545 Mn (broadband penetration ~47%) as of March 31, 2019 compared to 395 Mn (broadband penetration ~33%) a year ago.

Following the merger of VInL and VMSL into your Company, the challenging phase of integration is underway with a very clearly defined strategy, having no dependencies on external factors. Through meticulous planning, your Company has created a blueprint to improve revenue, profitability and competitive position in the marketplace. The outcome of this exhaustive planning is the following well-defined five-pillar strategy which forms the basis for all the ongoing strategic initiatives.

**1. Accelerate Integration** – Your Company is focused on rapidly integrating operations to derive operational synergies and reduce expenditure. Your Company is progressing well ahead of plan and intends to deliver synergies by FY21, two years earlier than previously stated target. Your Company has already consolidated spectrum and radio access network in 10 out of the 22 service areas. On operational integration, your Company has completed consolidation of all zonal and circle offices and has also completed the targeted integration of distribution network, retailers, service stores and service centers. Your Company is thus integrating at a great pace and has already achieved

60% of our targeted opex synergies during last quarter of FY19.

2. **Prioritizing investments in profitable districts** – Your Company has segregated districts in India based on their growth potential and revenue and EBITDA contribution to identify high potential districts which are the key focus areas for incremental investments. Prioritizing investments in profitable districts will optimize capital expenditure and offer superior customer experience enabling your Company to gain its fair share of 4G in these districts. In non-profitable districts, your Company is working on to shut down the weaker of the two networks, which will enable it to incur operating expenses for one network while generating revenue from customers of both brands. This will help in further reducing operating expenses while ensuring that both brands get the experience of the stronger network.
3. **Drive ARPU through Simplification** – Your Company intends to simplify its customer offerings and has already made significant progress in that direction. Your Company has introduced low value 'service validity vouchers' with minimum recharge of ₹ 35 (28 days validity) primarily targeting customers who used to have only incoming minutes on our network or who had an ARPU below a certain threshold. This led to a subscriber consolidation as expected but led to ARPU uplift and subsequent improvement in revenues in Q4FY19.
4. **Focusing on Fast-Growing Revenue Streams and partnerships** – Your Company has a market leading position in enterprise services and intends to focus on fast growing streams such as Internet of Things (IoT), cloud services and converged communications leveraging Vodafone group's global IoT leadership. Your Company is the first operator in the world to have executed voice and data calls on public cloud. 'My Vodafone App' became the first application to be co-hosted with vNFs (converged One-Cloud across Network and IT).

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

5. **Strengthening our Balance Sheet** – Your Company successfully concluded the rights issue of ₹ 250 Bn recently, largest in India, which was oversubscribed reflecting strong support from the investors. Further, your Company has the option to monetize its 11.15% stake in Indus, which has an implied value of ~₹ 53.6 billion as on June 30, 2019. This coupled with potential monetization of fiber assets will provide sufficient financial flexibility.

Your Company has made significant progress on all the initiatives across each of these strategic pillars. Your Company is thus well on track to achieve its guided synergy targets and continues to strive towards transforming from a pure play mobile operator to a truly integrated digital service provider.

#### Dividend

As your Company has incurred a net loss during the year, 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

During the year under review, your Company had issued 4,375,199,464 Equity Shares of face value of ₹ 10/- each pursuant to amalgamation of Vodafone Mobile Services Limited ('VMsL') and Vodafone India Limited ('VInL') with the Company in accordance with the provisions of the Companies Act, 2013 and Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Additionally, your Company issued and allotted 1,037,935 Equity Shares of ₹ 10/- each, fully paid-up, to the Option/RSU grantees pursuant to the exercise of Stock Options/Restricted Stock Units (RSU's) by the eligible employees under the Employee Stock Options Scheme, 2006 (ESOS-2006) and Employee Stock Option Scheme, 2013 (ESOS-2013).

Consequent to the above, the issued, subscribed and paid-up equity share capital of your Company as on March 31, 2019 stood at ₹ 87,355,583,290 comprising of 8,735,558,329 Equity Shares of ₹ 10/- each.

#### Finance

As on March 31, 2019, the Company had cash and cash equivalents of ₹ 6,759 Mn and short-term investments of ₹ 66,890 Mn. The Company's net debt as on March 31, 2019 increased by ₹ 662,217 Mn to ₹ 1,185,750 Mn as compared to ₹ 523,533 Mn last year.



During the year under review your Company raised ₹ 15,000 Mn through issuance of Non-Convertible Debentures (NCDs) on private placement basis at a coupon of 10.90% for a tenor of 5 years. The Company also raised ₹ 40,000 Mn under a long term rupee loan arrangement with Yes Bank Limited (a further ₹ 10,000 Mn was raised on similar terms by Vodafone Mobile Services Limited prior to merger with the Company). The Company also drew a short term rupee loan of ₹ 30,430 Mn in March 2019.

All scheduled loan repayments and deferred spectrum fee instalments to the DoT were made on respective due dates. However, some short term loans were repaid prior to their due dates as agreed with the lenders.

### Credit Rating

As of March 31, 2019, your Company enjoyed a long term credit rating of 'CARE AA-' / Negative (previous year end rating 'CARE AA+' / Credit Watch with developing implications) in respect to its long term banking facilities and certain Non-Convertible Debentures. The short term banking facilities and Commercial Paper programme have a rating of 'CARE A1+'.

Additionally, Brickwork Ratings has an outstanding rating of 'BWR AA-' / Negative (previous year end 'BWR AA+' / Stable) in respect to Non-Convertible Debentures rated by CARE, amounting to ₹ 35,000 Mn. The Commercial Paper programme has a rating of BWR A1+.

Non-Convertible Debentures issued by companies that merged into the Company have a rating of 'CRISIL A+ / Negative' and 'Ind A+' / Negative from CRISIL and India Ratings respectively.

### Capital Expenditure

During the Financial Year 2018-19, the capital expenditure (including capital advances) incurred during the year was ₹ 114,715 Mn and ₹ 115,033 Mn at standalone and consolidated levels respectively.

### 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:

- ***Merger of Vodafone India Limited and Vodafone Mobile Services Limited with the Company***

The Board of Directors of your Company had at its Meeting held on 20 March 2017, had approved the merger of Vodafone India Limited (VInL) and Vodafone

Mobile Services Limited (VMSL) [excluding VInL's 42% equity interest in Indus Towers Limited] through a Composite Scheme of Amalgamation and Arrangement ("Scheme") with your Company, subject to all necessary approvals.

Post receipt of all the regulatory and other necessary approvals, your Company was in receipt of the final approval of merger from the Department of Telecommunications on July 26, 2018. The National Company Law Tribunal (Mumbai Bench) vide its order dated August 30, 2018, approved dissolution without winding up of Vodafone India Limited and Vodafone Mobile Services Limited and consequently, with effect from August 31, 2018, both the companies (VInL and VMSL) amalgamated with your Company.

Consequent to the Scheme becoming effective on August 31, 2018, Vodafone Group became promoter of your Company with 45.1% stake in the combined Company after transferring a stake of 4.8% to the Aditya Birla Group for an agreed consideration concurrent with completion of the merger. The holding of the Aditya Birla Group, the existing Promoter of the Company reduced from 42.6% to 26.0% of the combined Company with public shareholders owning the remainder 28.9%. As part of the merger arrangement, Aditya Birla Group retained the right to acquire up to 9.5% additional stake in the Company from Vodafone Group under an agreed mechanism with a view to equalising the shareholdings over time. Further, with effect from August 31, 2018, all subsidiaries and joint ventures of erstwhile VInL and VMSL became the subsidiaries and joint ventures of your Company.

Pursuant to merger, the Board was reconstituted comprising of 12 Directors of whom 3 Directors each were nominated by Vodafone Group and Aditya Birla Group and 6 were appointed as Independent Directors.

- ***Name Change of the Company***

Pursuant to the merger of Vodafone India Limited and Vodafone Mobile Services Limited with your Company, it was intended to change the name of the Company from Idea Cellular Limited to "Vodafone Idea Limited". The members had approved the aforesaid change of name of the Company at the Extra-ordinary General Meeting held on June 26, 2018. It was intended that the Company is able to use the new name i.e. Vodafone Idea Limited, from the date on and from which the amalgamation of VMSL and VInL with the Company

becomes effective. Thus, with effect from August 31, 2018, the name of your Company changed to 'Vodafone Idea Limited', pursuant to issue of certificate of name change by Registrar of Companies on August 31, 2018.

- ***Rights Issue of ₹ 250 Billion***

The board of directors of your Company on January 23, 2019, approved raising of funds by way of Rights Issue aggregating to ₹ 250 billion. Subsequently, on March 20, 2019, the Board approved issuance of equity shares on a rights basis in the ratio of 87 Equity Shares for every 38 fully paid-up Equity Shares held by the eligible equity shareholders as on record date i.e. April 2, 2019, at an issue price of ₹ 12.50 per equity share. Subsequent to the close of the financial year, on May 4, 2019, the Company issued and allotted 19,999,830,911 Equity Shares of face value of ₹ 10/- each to the eligible existing equity shareholders under Rights Issue at an issue price of ₹ 12.50 (including a premium of ₹ 2.50) per equity share, thereby raising funds aggregating to ₹ 249,998 Mn.

The rights issue of the Company received strong support from both existing shareholders as well as from other investors. The Company witnessed participation from both domestic and foreign public shareholders. The issue was oversubscribed approximately 1.08x and the public participation was approximately 1.2x relative to the rights entitlement. The final allotment to the promoter / promoter group was ₹ 179.2 billion (₹ 0.9 billion over their aggregate rights entitlement). Post allotment, the total promoter / promoter group aggregate shareholding increased to 71.57% from 71.33% as on the record date.

- ***Merger of Aditya Birla Telecom Limited with the Company***

With the overall objective of rationalising multiple subsidiaries post-merger, a Scheme of Amalgamation of Aditya Birla Telecom Limited (ABTL), a wholly owned subsidiary, with the Company was approved by the Board of Directors of the Company on September 17, 2018. The National Company Law Tribunal, Ahmedabad bench vide its order dated November 13, 2018 approved the said Scheme with an appointed date of April 1, 2018. Pursuant to filing of the said order with the Registrar of Companies, the said scheme became effective on November 30, 2018 and accordingly, ABTL has been amalgamated with the Company.

- ***Demerger of Fibre Undertaking of the Company to Vodafone Towers Limited***

The Board of Directors of the Company approved a Scheme of Arrangement for transfer of Fibre Infrastructure Undertaking from the Company to Vodafone Towers Limited, a wholly-owned subsidiary, subject to all necessary approvals. Pursuant to receipt of approval by the Stock Exchanges, the said Scheme of Arrangement was approved by the equity shareholders and secured and unsecured creditors of the Company at their respective meetings held on June 6, 2019. The order approving the Scheme is awaited from National Company Law Tribunal, Ahmedabad.

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

As part of streamlining the corporate structure of the Company, the Board of your Company had approved a Scheme of Amalgamation of Idea Telesystems Limited (ITL) and Vodafone India Digital Limited (VIDL) (both wholly owned subsidiaries of the Company) with the Company. ITL is in the business of trading in devices and VIDL has no business and thus is a non-operating subsidiary. Your Company is in process of filing the application with National Company Law Tribunal for approval of the said scheme.

- ***Winding up of Aditya Birla Idea Payments Bank Limited***

The Board of Aditya Birla Idea Payments Bank Limited (ABIPBL), an associate of the Company has decided to wind up business voluntarily on July 19, 2019, due to unanticipated developments in the business landscape of payments bank that have made the economic model unviable.

- ***Closure of businesses in Vodafone M-Pesa Limited***

Pursuant to merger of Vodafone India Limited with your Company, Vodafone M-Pesa Limited (VMPL) having Prepaid Payment Instruments (PPI) business became subsidiary of your Company. As per the RBI guidelines, same promoter group cannot have Payments Bank business in one entity and Prepaid Payment Instruments (PPI) business in another entity. Based on various discussions, the Regulator had initially permitted these two entities to carry on the business until December 31, 2018 which was later extended to March 31, 2019. VMPL Board has subsequently approved surrender of PPI Authorisation and cease the wallet and Business Correspondent business.

## Awards and Recognitions

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

- “Golden Peacock Award” for Corporate Social Responsibility for being the best among Indian Telecom Companies for CSR.
- Vodafone Idea Business Services won Frost & Sullivan India ICT Awards under 3 categories:
  - Enterprise Telecom Service Provider of the Year - SMB Segment
  - Managed Enterprise Wi-Fi Provider of the Year
  - Enterprise Mobile Service Provider of the Year
- 8 awards across categories at the Voice & Data Biz & Tech Awards at Telecom Leadership Forum 2019:
  - SMP for Mobility & IoT in Enterprise Business Services
  - Smart Tracking & Infra System in Network Infra Innovation
  - “Order Management” Digital Transformation project in Business Process Innovation
  - Vodafone IoT solution for Internet of Things
  - Filmy recharge in Marketing
  - Sakhi for VAS & Apps
  - Bill Guarantee for Customer Service
  - RUDI Sandesh Vyavhara for Corporate Social Responsibility
- Vodafone Brand won 1 Gold, 1 Silver and 2 Bronze in APAC Effies along with Grand Effie going on to become the Brand of the Year and Marketer of the Year.
- Vodafone Sakhi won Black, Gold and 4 Blue Elephants awards at Kyoorius Creative Awards 2018 and was showcased by GSMA as the Best Initiative for ‘Connected Women’ at the Mobile World Congress 2019 in Barcelona
- Idea Brand won Silver at Maddies 2018 for “Best Use of Social Media On A Campaign” - LookLook FB 360 Newsfeed Game
- Idea was adjudged Runners-up in the prestigious BML Munjal Awards for Business Excellence through Learning and Development in Private Sector – Services Category at Mindmine Summit 2018

## Marketing and other initiatives

During the year under review, your Company together with its subsidiaries made extensive progress on the marketing

and customer care front by entering into various alliances and introducing various innovative products and services. Some of these are:-

- Cloud Express Connect – Private and secure MPLS network extended to Microsoft Azure and Google, thereby ensuring better win in the market place for the Fixed Line data products.
- Launch of multiple products like Global Calling Services, 6 Class of service in GMPLS to further accelerate growth through connectivity, PinSight & DEP in the Analytics area.
- The Company won a prestigious contract of 5 Mn smart meter, India’s first ever largest IoT rollout in this space. Your Company expanded VoLTE (Voice over LTE) services across all 22 4G service areas, offering offer High Definition call quality as compared to a standard voice call. Currently VoLTE is available on 200+ handset models and supported on over 95% of new 4G devices launched.
- Your Company believes in offering compelling content proposition for its consumers such as Amazon prime free subscription to Nirvana postpaid plans, offering free Idea Movies and TV app to the consumers etc.
- As a planned strategy, your Company redesigned its postpaid portfolio under RED & Nirvana to bring in important non-telco and innovative telco benefits for its high value postpaid consumers.
- To accelerate the adoption of Unlimited Vouchers, your Company introduced a range of new propositions to cater to different segments of prepaid customers. Monthly Unlimited Voucher pricing was lowered from ₹ 199 to ₹ 169 and Long Validity Versions (84 days and 365 days) were launched. Further to cater to the needs of customers using non 4G Devices, Unlimited Voice voucher at ₹ 119 (28 days) was launched. These interventions have given a significant push to the adoption of Unlimited Vouchers and have resulted in better retention.
- To drive an assured recharge revenue and to ensure a minimum participation price to utilize the network, in October 2018 your Company introduced Combo Vouchers starting at ₹ 35, targeting the bottom end of the prepaid market.
- Tapping into a large opportunity to bridge the gender gap in mobile access and usage, this year your Company launched an innovative offering for Women, ‘Sakhi’, a first-of-its kind mobile based safety service, designed

exclusively for women. A bouquet of features including Emergency Alerts, Emergency Balance and Private Number Recharge, provide safety measures through the mobile connection, to women customers using the VIL network, anywhere in the country. Sakhi works seamlessly across smartphones and feature-phones, even without any balance or mobile internet, thus ensuring that the service extends to millions of women in India. Sakhi also won many awards and accolades on national and international platforms.

- To engage with rural subscribers, in April 2019 your Company launched "Myna Ka Kehna", a completely free missed-call based audio entertainment platform, across Hindi speaking markets as well as Maharashtra, Gujarat and West Bengal. The platform aims at engaging with rural feature phone users who form the bulk of rural subscriber base via audio content comprising of songs, entertaining banter and targeted product pitches as well as product information. The audio content is completely customized as per the listener's profile. Since the launch, the platform has been very well received by the subscribers for its ease of use and entertaining content and is going strong in its aim to engage with the rural subscriber base. The platform is uniquely positioned to target the last mile rural consumer and has immense potential to grow into a monetizable rural media channel.
- Targeted at driving data usage amongst low/non-data users, your Company launched Filmy Recharge, now an award-winning offering. At a pocket-friendly price of ₹ 16, Filmy Recharge bundles free access to a large catalogue of movies through a very simple integrated user journey. Keeping the target audience in mind, the proposition was created to work seamlessly without any application download.
- To strike a chord with the millennials, your Company launched 'Vodafone U', a digital only platform exclusively for our youth customers that enables them to maximise life with limited resources. In line with Vodafone U philosophy, your Company launched an exclusive offer on Amazon Prime, where customers could avail a 50% discount on Amazon Prime membership, making shopping and entertainment even more affordable.

#### **Two Brands – One Company:**

- India is a cricket loving nation and IPL gives a great opportunity to connect with consumers. To engage with the subscriber base, increase usage of the website and app, brand Vodafone launched a digital campaign "Unofficial Sponsor of Fans™". This campaign led to Vodafone becoming the most loved brand, increased usage of the website and app and enhanced customer experience on-ground amongst the users.
- Your Company takes pride in providing the customers with great value & seamless connectivity in India and abroad. Building on strong international roaming tie-ups, brand Vodafone launched an International Roaming campaign with a claim of "Best International Roaming Plan" offering unlimited data and calling at just ₹ 215/- day in 23 countries. A digital campaign specifically targeting users planning to travel abroad in the months of April-June was also launched.
- In the constant endeavor to engage and provide exclusive offers to high value customers, brand Vodafone has created a differentiated experience. iPhone Forever is one such exclusive proposition for the high value customers. It is a one-of-its kind program where the customer gets free repair, replacement and easy upgrades on their iPhones. The campaign has Print and Digital legs targeting towns and cities with high iPhone penetration in the country.
- Since the launch of Idea 4G, the focus was to establish brand Idea as a strong 4G player. This year as well, brand Idea focussed all its advertising efforts on building preference for Idea 4G. Idea launched 3 TV campaigns aimed at building 4G credentials: Network - "India ka Live Network", Affordability - "Dekhte Jao" and Thematic - #MeriRealLife. These were high decibel TV campaigns, supported with Radio, Outdoor and Digital among other media.
- The "Dekhte Jao" campaign aimed at showcasing Idea at the forefront of the unlimited data revolution so it becomes the network of choice for data-hungry Indians. Promoting Idea's Unlimited recharges portfolio, the campaign showcased how everyone can now watch videos endlessly, without hesitation. The upbeat and celebratory TVC had an extremely catchy jingle composed by Bollywood music director Amit Trivedi.
- The "MeriRealLife" campaign was aimed at increasing brand affinity among the social media savvy youth by powering an alternate wave of thinking. The campaign propagated a culture of "Responsible use of Social Media" that encourages people to drop the pressure of chasing and sharing perfection online; and instead share real, authentic and unfiltered stories of their lives.
- The "India ka Live Network" campaign aimed at enhancing Idea's 4G network quality credentials.

The campaign showcased how everyone can tackle irresponsible behaviour by going live anytime with Idea 4G's seamless network. In quintessential Idea fashion, the campaign transformed LIVE video from just a tool of social sharing and fun, into a tool of empowerment and societal change.

#### Partnerships & Alliances:

- Your Company partnered with Amazon India, to build a unique 'Shop-in-Shop' model at our Company-owned stores - providing an assisted sales model involving promoters placed by Amazon, who are responsible for driving sales of Amazon exclusive devices through our stores. Currently operational in 100 Vodafone branded stores across 6 circles and 7 cities, the Shop-in-Shop model is expanding to cover over 400 stores in the coming months.
- Your Company partnered with Apple to launch the world's first iPhone Forever Program exclusively for high-value customers. With benefits such as replacement and repair at no extra cost and upgrade at the best price; the iPhone Forever Plan built engagement and enhanced loyalty of our premium customers.
- Your Company also partnered with leading OEMs - Samsung, OnePlus, Oppo, Vivo, Moto, Huawei, Nokia, Panasonic and Lava to offer special offers on leading handsets, which aided the landing of these partner phones on our network. A number of these tie-ups were accompanied by extensive print, digital and offline promotions in association with the partners.

#### Fueling Growth of Digital:

- To cater to the Digitally-evolved consumer, your Company offers a rich bouquet of digital content via strategic partnerships with Sony LIV, ZEE5, Shemaroo Entertainment, EROS, Discovery and others for our video properties - Vodafone Play and Idea Movies and TV. These partnerships get us access to a large repertoire of movies, TV shows, Live TV channels, original shows, music videos and other genres.
- With an enhanced 4G footprint across key markets and increased smartphone penetration, regional content acts as a catalyst to explode data consumption. To fuel this growth, Vodafone Play and Idea Movies and TV have exponentially increased regional content portfolio with exclusive partnerships with leading regional content OTT apps like SheemooMe for Gujarat market, SunNxt for all four South languages, Hoichoi for entire East and Bengal market.

- To accelerate the digital footprint and create more value for our customers, your Company partnered with popular digital wallets - PayTM, PhonePe and Amazon Pay to unlock exciting cashback offers, making the plans more affordable and convenient to recharge. Through strategically planned Application Programming Interface (APIs) integrations, Vodafone and Idea prepaid recharges and postpaid bill payments are enabled across most third party digital wallets and payment systems.

#### Consumer IoT:

Internet of Things (IoT) is poised for exponential growth with an increasing number of consumer applications in various categories like smart home, wearables and connected cars. Being a frontrunner in Industrial IoT domain, your Company is exploring the next generation of consumer IoT use cases with the right set of strategic partners to bring connected living to the Indian market.

#### Subsidiary, Associate and Joint Venture Companies

As on March 31, 2019, your Company has thirteen subsidiary companies, two joint venture companies and one associate company. Post-merger, the management is working towards rationalising subsidiaries. The details are as under:

#### Subsidiaries

##### 1. **Idea Cellular Services Limited (ICSL)**

ICSL is engaged in the business of providing manpower services to the Company and Idea Telesystems Limited. For the Financial Year 2018-19, the total income stood at ₹ 1,062 Mn compared to ₹ 1332 Mn in the previous year.

##### 2. **Idea Telesystems Limited (ITL)**

ITL is engaged in the business of trading of mobility devices. For the Financial Year 2018-19, the total income stood at ₹ 56 Mn as against ₹ 164 Mn in the previous year. Subsequent, to the Balance Sheet date, the Board of Directors of your Company have at its meeting held on May 13, 2019 approved a Scheme of Amalgamation ("Scheme") for merger of Idea Telesystems Limited with your Company. The Scheme is yet to be filed with the National Company Law Tribunal Bench at Ahmedabad.

##### 3. **Vodafone m-pesa Limited (VMPL)**

Vodafone m-pesa Limited (subsidiary of erstwhile Vodafone India Limited) has become the subsidiary of the Company effective August 31, 2018. VMPL provides customers with a mobile wallet and money

transfer services in the form of M-pesa, the world renowned mobile wallet and money transfer service. For the Financial Year 2018-19, VMPL earned a service revenue of ₹ 789 Mn as compared to ₹ 1,027 Mn in the previous year.

**4. *Vodafone Idea Business Services Limited (VIBSL) earlier known as Vodafone Business Services Limited***

VIBSL (subsidiary of erstwhile Vodafone India Limited) has become the subsidiary of the Company effective August 31, 2018. The main source of revenue for VBSL is in the form of charge back to the Company and its subsidiaries towards use of certain common IT assets and accounting services and the charge back of operating cost related to Data Centre apart from OSP business. For the Financial Year 2018-19, the revenue earned was ₹ 2,452 Mn as compared to ₹ 2,200 Mn in the previous year.

**5. *Vodafone Idea Communication Systems Limited (VICSL) earlier known as Mobile Commerce Solutions Limited***

VICSL (subsidiary of erstwhile Vodafone India Limited) has become the subsidiary of the Company effective August 31, 2018. VICSL is engaged in the business of trading in handsets, data cards, related accessories and other hardware. For the Financial Year 2018-19, the total revenue stood at ₹ 378 Mn.

**6. *Connect (India) Mobile Technologies Private Limited (CIMTPL)***

CIMTPL (a wholly owned subsidiary of VICSL) has become step-down subsidiary of the Company effective August 31, 2018. For the Financial Year 2018-19, the total revenue earned was ₹ 8 Mn.

**7. *Vodafone Foundation (VF)***

VF – a section 8 Company as per Companies Act, 2013 (subsidiary of erstwhile Vodafone India Limited) has become the subsidiary of the Company effective August 31, 2018. VF is an implementing agency and carries out CSR activities for the Company and its subsidiaries, associates, joint ventures, promoter group companies in line with the Schedule VII of the Companies Act, 2013. VF primarily focuses on CSR activities that includes promoting and development of (a) the knowledge and skills of teachers, (b) financial literacy, (c) empowerment of women, (d) healthcare, (e) environment, (f) disaster relief, (g) eradication of poverty.

**8. *Vodafone Towers Limited (VTL)***

VTL (subsidiary of erstwhile Vodafone India Limited) has become the subsidiary of the Company effective August 31, 2018. During the year, the Company approved the demerger of its Fiber Infrastructure Undertaking on a going concern basis to VTL. VTL has not yet commenced its operations. Accordingly, VTL does not have any revenues from operations.

**9. *Vodafone India Digital Limited (VIDL)***

VIDL (subsidiary of erstwhile Vodafone India Limited) has become the subsidiary of the Company effective August 31, 2018. VIDL is yet to commence its operations. Accordingly, it does not have any revenues from operations. Subsequent, to the Balance Sheet date, the Board of Directors of your Company have at its meeting held on May 13, 2019 approved a Scheme of Amalgamation ("Scheme") for merger of VIDL with your Company. The Scheme is yet to be filed with the National Company Law Tribunal Bench at Ahmedabad.

**10. *Vodafone India Ventures Limited (VIVL)***

VIVL (subsidiary of erstwhile Vodafone India Limited) has become the subsidiary of the Company effective August 31, 2018. VIVL is an outsourcing hub for finance and accounts, human resources, supply chain management, credit & collection support, customer support and catering to the Information Technology (IT) needs for data consolidation, back end IT support for Vodafone Idea Limited and its subsidiary companies in the group. The Company has set up its facilities at Ahmedabad and Pune location and commenced operations only in April 2018 after recruiting employees for providing services to group companies from both these locations. This being the first year of its operations, VIVL has earned a service revenue of ₹ 1,864 Mn.

**11. *Vodafone Technology Solutions Limited (VTSL)***

VTSL (subsidiary of erstwhile Vodafone India Limited) has become the subsidiary of the Company effective August 31, 2018 and is yet to commence operations. Accordingly, it does not have any revenue from operations.

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

YBIL (subsidiary of erstwhile Vodafone India Limited) has become the subsidiary of the Company effective August 31, 2018. 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 from operations of YBIL stood at ₹ 1,906 Mn.

### **13. You System Integration Private Limited (YSIPL)**

YSIPL (subsidiary of YBIL) has become step-down subsidiary of the Company effective August 31, 2018. YSIPL principle business is providing system integrators, enterprise and home solution providers including supply, commissioning and integration of hardware, software and middleware towards providing security, storage and threat management and mitigation. YSIPL is a wholly owned subsidiary of YBIL.

With an objective of internal corporate restructuring, YSIPL has approved amalgamation of itself with its immediate holding company YBIL.

During the Financial Year 2018-19, Idea Cellular Infrastructure Services Limited ceased to be a subsidiary of the Company and Aditya Birla Telecom Limited amalgamated with your Company.

### **Joint Venture Company**

#### **1. Indus Towers Limited**

Indus Towers Limited (Indus), in which your Company holds 11.15% stake, is a joint venture with the Bharti Group and Vodafone Group and provides passive infrastructure services in 15 service areas. The revenue from operations for the Financial Year 2018-19 was ₹ 185,100 Mn as against ₹ 187,865 Mn of previous year. During the year under review, Indus Towers Limited had approved a scheme of amalgamation with Bharti Infratel Limited. The said scheme is in final stages of approval.

#### **2. Firefly Networks Limited (FireFly)**

FireFly (a joint venture of erstwhile Vodafone Mobile Services Limited) has become the joint venture of the Company effective August 31, 2018. It was a joint venture of erstwhile Vodafone Mobile Services Limited and Bharti Airtel Limited with 50% shareholding each. 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 2018-19 stood at ₹ 153 Mn as compared to ₹ 78 Mn in the previous year.

### **Associate Company**

Aditya Birla Idea Payments Bank Limited (ABIPBL), is an Associate Company wherein your Company currently holds 49% of the equity capital and the balance is held by Grasim Industries Limited. ABIPBL has received banking license for carrying on the business of Payments Bank from Reserve Bank of India (RBI) on April 3, 2017 and also has an authorisation to carry on the business of Prepaid Payments Instrument business. ABIPBL offers Mobile Banking, Internet Banking and UPI services along with a range of banking products and services including savings bank account, domestic remittances and merchant payments. The Board of ABIPBL had at its meeting held on July 19, 2019, approved voluntary winding-up of ABIPBL, subject to receipt of all necessary approvals.

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

In terms of provisions contained in Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of each of the subsidiaries, associate and joint venture companies is provided in Form AOC-1 and is annexed 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 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. The Committee / Board periodically meets to review the risks and steps to be taken to control and mitigate the same through a properly defined framework.

### **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 ESOS-2018 scheme is in the process of being implemented.

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the disclosure with respect to the ESOS Schemes of the Company as on March 31, 2019 has been uploaded on your Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com).

A certificate from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), Statutory Auditors, certifying that the Company's ESOS Schemes are implemented in accordance with the ESOP Regulations, would be placed before the shareholders at the Annual General Meeting for inspection by Members.

### **Internal Financial Control Systems**

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 2018-19.

### **Human Resource Management**

Vodafone Idea Limited, is an Aditya Birla Group and Vodafone Group partnership, making it India's largest telecom Company and second largest globally, by subscribers, at the time of merger. It is the coming together of two large established pan India telecom service providers.

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

### **Management Discussion and Analysis**

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

### **Corporate Governance**

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



## Business Responsibility Report

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

## Corporate Social Responsibility

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

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

In view of the losses incurred by the Company during the last two financial years, the Company has no obligation for CSR spend during the Financial Year 2018-19.

However, believing on giving and caring for the underprivileged and inclusion of all, the Company spent ₹ 15 Mn towards CSR activities. Your Company reached out to around 1.11 lakh people (direct and indirect) across 9 States. The Company's key objective is to actively contribute to the social and economic development of the communities by leveraging technology and purposeful innovation to catalyse social prosperity, digital literacy and inclusivity. Your Company continued the previous programs and carried forward the learnings.

As a socially responsible caring Company, we are committed to play a larger role in India's sustainable development. Your Company has received accolades from Ministry of Drinking Water and Sanitation for Swachh Iconic Place - Somnath Temple project, Golden Peacock Award for Corporate Social Responsibility 2018, Voice and Data Award for CSR.

During the year, a notice calling information regarding the unspent CSR amount of previous Financial Year 2015-16 and 2016-17 was received. The Company made requisite and satisfactory representation to Ministry of Corporate Affairs (MCA) and MCA directed the Company to spend ₹ 727 Mn in 8 equal instalments in 8 quarters, beginning April 1, 2019.

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

## Directors' Responsibility Statement

The audited financial statements for the year under review are in conformity with the requirements of the Companies Act, 2013 and the 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 flow 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;
- 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

Pursuant to the merger of Vodafone India Limited and Vodafone Mobile Services Limited with the Company effective August 31, 2018, the Board of your Company was reconstituted comprising of 12 Directors of whom 3 Directors each were nominated by Vodafone Group and Aditya Birla Group and 6 were appointed as Independent Directors.

During the year under review, the following changes took place in the Board composition:

## Appointments

1. Mr. D. Bhattacharya, was appointed as an additional Director in the category of Non- Executive Director, representing Aditya Birla Group with effect from August 31, 2018;

2. Mr. Ravinder Takkar, was appointed as an additional Director in the category of Non-Executive Director, representing Vodafone Group with effect from August 31, 2018;
3. Mr. Vivek Badrinath, was appointed as an additional Director in the category of Non-Executive Director, representing Vodafone Group with effect from August 31, 2018;
4. Mr. Thomas Reisten, was appointed as an additional Director in the category of Non-Executive Director, representing Vodafone Group with effect from August 31, 2018;
5. Mr. Arun Kumar Adhikari, was appointed as an additional Director in the category of Independent Director, with effect from August 31, 2018;
6. Mr. Uday Khanna, was appointed as an additional Director in the category of Independent Director, with effect from August 31, 2018;
7. Mr. Ashwani Windlass, was appointed as an additional Director in the category of Independent Director, with effect from August 31, 2018;
8. Mr. Douglas Baillie, was appointed as an additional Director in the category of Independent Director, with effect from August 31, 2018;
9. Ms. Neena Gupta, was appointed as an additional Director in the category of Independent Director, with effect from September 17, 2018;
10. Mr. Krishnan Ramachandran, was appointed as an additional Director in the category of Independent Director, with effect from December 27, 2018; and
11. Mr. Suresh Vaswani, was appointed as an additional Director in the category of Independent Director, with effect from February 8, 2019;
4. Mr. Mohanbir Singh Gyani, Independent Director, resigned from the Board with effect from August 31, 2018;
5. Mr. Pejavar Murari, Independent Director, resigned from the Board with effect from August 31, 2018;
6. Mr. Akshaya Moondra, Whole-Time Director, resigned from the Board with effect from August 31, 2018. He is however continuing as the Chief Financial Officer of the Company;
7. Mr. Himanshu Kapania, stepped down from the position of Managing Director of the Company with effect from August 31, 2018. He is however continuing as a Non-Executive Director on the Board of the company representing Aditya Birla Group.
8. Ms. Tarjani Vakil, Independent Director, resigned from the Board with effect from September 17, 2018;
9. Mr. Uday Khanna, Independent Director, resigned from the Board with effect from September 28, 2018;
10. Mr. Douglas Baillie, Independent Director, resigned from the Board with effect from November 14, 2018;

The Board places on record its sincere appreciation for the valuable guidance and contribution made by the above Directors in the deliberations of the Board during their tenure as Directors on the Board of the Company.

As on 31 March 2019, the Board of Directors comprised of the following:

1. Mr. Kumar Mangalam Birla – Chairman (representing Aditya Birla Group)
2. Mr. D. Bhattacharya – Non-Executive Director (representing Aditya Birla Group)
3. Mr. Himanshu Kapania - Non-Executive Director (representing Aditya Birla Group)
4. Mr. Ravinder Takkar - Non-Executive Director (representing Vodafone Group)
5. Mr. Thomas Reisten – Non-Executive Director (representing Vodafone Group)
6. Mr. Vivek Badrinath - Non-Executive Director (representing Vodafone Group)
7. Mr. Arun Adhikari – Independent Director
8. Mr. Arun Thiagarajan – Independent Director
9. Mr. Ashwani Windlass – Independent Director
10. Ms. Neena Gupta – Independent Woman Director
11. Mr. Krishnan Ramachandran – Independent Director
12. Mr. Suresh Vaswani – Independent Director

Mr. D. Bhattacharya, Mr. Ravinder Takkar, Mr. Vivek Badrinath, Mr. Thomas Reisten, Mr. Arun Kumar Adhikari, Mr. Ashwani Windlass and Ms. Neena Gupta were confirmed as Director(s) at the last Annual General Meeting held on December 22, 2018.

### **Resignations**

1. Ms. Rajashree Birla, Non-Executive Director, resigned from the Board with effect from August 31, 2018;
2. Mr. Sanjeev Aga, Non-Executive Director, resigned from the Board with effect from August 31, 2018;
3. Mr. Baldev Raj Gupta, Independent Director, resigned from the Board with effect from August 31, 2018;

In accordance with the provisions of the Companies Act, 2013, Mr. Himanshu Kapania and Mr. Ravinder Takkar 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 last Annual General Meeting held on December 22, 2018, Mr. Krishnan Ramachandran and Mr. Suresh Vaswani were appointed as Additional Directors qualifying as Independent Directors for a period of three years effective December 27, 2018 and February 8, 2019 respectively. Their appointment shall be placed at the ensuing Annual General Meeting (AGM) for approval by the shareholders.

Mr. Arun Thiagarajan, would be completing his present term as Independent Director at the ensuing Annual General Meeting. Based on the recommendation of the Nomination and Remuneration Committee, the Board has subject to the approval of the members recommended his re-appointment for a second term of three years at the ensuing AGM for approval of the members by way of special resolution.

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

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.

### **Board Evaluation and Familiarization Programme**

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

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

### **Remuneration Policy**

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

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

### **Key Managerial Personnel**

The Board of Directors pursuant to recommendation of Nomination and Remuneration Committee appointed Mr. Balesh Sharma as Chief Executive Officer of the Company w.e.f. August 31, 2018 for five years. His appointment was also approved by the members at the 23rd Annual General Meeting held on December 22, 2018.

Mr. Akshaya Moondra and Mr. Pankaj Kapdeo continue their office as Chief Financial Officer and Company Secretary respectively. During the year under review, there have been no other changes in the office of Key Managerial Personnel of the Company.

### **Dividend Distribution Policy**

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

### **Board Meetings and Board Committees**

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, the Board 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 six 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

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 as detailed in the Note No. 60 of the Standalone Financial Statements were in ordinary course of business and at an arm's length basis.

The related party transaction which can be considered material during the year is the existing arrangement with Indus Towers Limited (Indus), a joint venture of the Company which provides Passive Infrastructure services and related operations and maintenance services to various telecom operators in India, including your Company. Indus is currently one of the world's largest independent passive infrastructure providers. Your Company had entered into a Master Service Agreement (MSA) with Indus in 2008 (which has been amended from time to time) for availing passive infrastructure services provided by them in certain service areas. The MSA requires individual tenancy service contracts to be executed for each passive infrastructure site, the terms of which vary depending on the location, type of site, number of existing tenants, etc. and contain lock in period for ensuring continuity. Such terms are similarly applicable to all other telecom providers having arrangement with Indus. The details of the material related party transaction with Indus for the Financial Year ended March 31, 2019 is provided in Form AOC-2, which is attached as '**Annexure C**' to this report.

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

None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial

Personnel etc. which may have potential conflict with the interest of the Company at large. Member's approval for material Related Party Transaction, as defined under the Listing Regulations shall be obtained at the ensuing Annual General Meeting.

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

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

### **Particulars of Loans, Guarantees and Investments**

As your Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 relating to loans made, guarantees given or securities provided are not applicable to the Company. The details of such loans made and guarantees given are provided in Note no. 60 to the standalone financial statements and particulars of investments made by the Company are provided in Note nos. 10 and 14 to the standalone financial statements.

### **Vigil Mechanism – Speak up policy**

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

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

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

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

### Particulars of Employees

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

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

### Statutory Auditors

The members of the Company had at its Annual General Meeting held on June 30, 2017, appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Firm Registration No. 101049W/E300004), as the Statutory Auditors of the Company for a period of five consecutive years, i.e. till the conclusion of Twenty Seventh Annual General Meeting of the Company to be held in the calendar year 2022, subject to ratification, if required of their appointment by members at every Annual General Meeting.

The requirement to place the matter relating to appointment of the Auditors for ratification by the members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of re-appointment of the Auditors.

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

### Auditors' Report and Notes to Financial Statements

The Board has duly reviewed the Statutory Auditors' Report on the Financial Statements including the emphasis of matter relating to the one-time spectrum charges demand raised by the Department of Telecommunications in January, 2013. As explained in the Notes to the Financial Statements, the matter remains sub-judice and does not call for any further explanation/clarification under Section 134(3)(f) of the Companies Act, 2013. The report does not contain any qualification, reservation, disclaimer or adverse remarks.

### Reporting of Frauds by Auditors:

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

### Cost Auditors

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, 2019, at a remuneration as specified in the notice convening the Annual General Meeting.

As required under the Act, the remuneration payable to the Cost Auditors for Financial Year 2019-20 is required to be ratified by the members. Accordingly, a resolution seeking members ratification for the remuneration payable to the Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

### Secretarial Auditor

In terms of the provision of the Section 204 of the Act, 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, 2019. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The contents of the Secretarial Audit Report are self-explanatory and does not contain any qualification, reservation or adverse remark. The report of the Secretarial Auditor is annexed to this report as '**Annexure F**'.

### Extract of Annual Return

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 for the Financial Year ended March 31, 2019 is annexed herewith as '**Annexure G**' to this report.

### Sustainability Journey

Telecom sector provides connectivity to individuals and communities that fosters empowerment and inclusion.

The near ubiquitous reach of the mobile makes it the most relevant channel for last mile outreach. The mobile phone has fast become the window to a world of information, better education, livelihood, employment, health and governance.

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

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

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

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

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

The Company is publishing regular (Bi-annual) dedicated Sustainability Reports as per international standards from FY16. It's first (FY16) and most recent (FY18) Sustainability Reports aligned to GRI G4 Guidelines are already in public domain and can be downloaded from the Company's website.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial Year 2018-19, 16 complaints pertaining to sexual harassment were received, of which 14 have been resolved. The 2 pending complaints were closed after March 31, 2019.

### **Other Disclosures**

- There are no material changes and commitments affecting the financial position of your Company between end of financial year and the date of report, other than those disclosed in the significant developments section of the Board's report.
- Your Company has not issued any shares with differential voting.
- There was no revision in the financial statements.
- Your Company has not issued any sweat equity shares.
- There has been no change in the nature of business of your Company.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future, other than the orders passed by tribunal, 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 of Directors  
of Vodafone Idea Limited**

**Kumar Mangalam Birla**

Chairman

(DIN: 00012813)

Place: Kolkata

Date: July 26, 2019

## Annexure 'A' to the Directors' Report

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

Sr. No.	Particulars	Name of Subsidiary														₹ Mn
		Idea Cellular Services Limited	Idea Cellular Infrastructure Services Limited <sup>1</sup>	Idea Telesystems Limited	Connect (India) Mobile Technologies Private Limited <sup>2#</sup>	Mobile Commerce Services Limited <sup>3</sup>	Vodafone Business Services Limited	Vodafone Foundation <sup>4</sup>	Vodafone India Digital Limited <sup>5#</sup>	Vodafone India Ventures Limited <sup>6#</sup>	Vodafone m-pesa Limited <sup>7#</sup>	Vodafone Towers Limited <sup>8#</sup>	Vodafone Technology Solutions Limited <sup>9#</sup>	You Broadband India Limited <sup>10</sup>	You System Integration Private Limited <sup>11#</sup>	
1	The date since when subsidiary was acquired	October 3, 2007	October 3, 2007	July 9, 2002	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	August 31, 2018	
2	Reporting period	April 1, 2018 - March 31, 2019	April 1, 2018 - March 31, 2019	April 1, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	August 31, 2018 - March 31, 2019	
3	Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	
4	Equity Share Capital	1	-	1	1,499	4,053	1	-*	5	20	2,371	18	5	473	-*	
5	Other Equity	3	-	200	(1,247)	(2,468)	(2,649)	(4)	(2)	60	(2,351)	(12)	(76)	(725)	(7)	
6	Total Assets	142	-	225	291	1,689	8,360	295	3	1,899	1,856	7	25	3,109	1	
7	Total Liabilities	138	-	24	39	104	11,008	299	-*	1,819	1,836	1	96	3,361	8	
8	Investments other than investments in Subsidiary	-	-	198	-	-	-	-	-	-	-	-	-	-	-	
9	Turnover (Total Revenue)	1,062	675	56	8	314	1,541	31	-	1,154	451	-	-*	1,109	-*	
10	Profit/(Loss) before Taxation	4	363	8	7	(1,235)	18	2	-*	100	(437)	(2)	(26)	(258)	-*	
11	Provision for Taxation	2	127	-*	2	-	-*	-	-	42	-*	-	-	-*	-	
12	Profit/(Loss) after Taxation	2	236	8	5	(1,235)	18	2	-*	58	(437)	(2)	(26)	(258)	-*	
13	Other Comprehensive Income/(Loss)	(22)	-	-	-	-	-*	-*	-	-	(1)	-	-	-*	-	
14	Total Comprehensive Income/(Loss)	(20)	236	8	5	(1,235)	18	2	-*	58	(438)	(2)	(26)	(258)	-*	
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

**Notes:**

- Idea Cellular Infrastructure Services Limited ceased to be a subsidiary w.e.f. May 31, 2018.
  - Connect (India) Mobile Technologies Private Limited is a wholly owned subsidiary of Mobile Commerce Solutions Limited.
  - You System Integration Private Limited is a wholly owned subsidiary of You Broadband India Limited.
  - Vodafone m-pesa Limited is classified as Asset Held for Sale (AHFS) effective August 31, 2018.
  - Vodafone India Digital Limited, Vodafone Towers Limited and Vodafone Technology Solutions Limited are yet to commence operations.
  - Aditya Birla Telecom Limited has been merged with the Company on November 30, 2018 with an appointed date of April 1, 2018.
  - Became subsidiaries w.e.f. August 31, 2018, pursuant to amalgamation of Vodafone India Limited and Vodafone Mobile Services Limited with the Company.
- \* Numbers are below one million under the rounding-off convention adopted by the Company and accordingly not reported.

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

### Part "B": Associates and Joint Ventures

₹ Mn

Sr. No.	Particulars	Associate	Joint Ventures	
		Aditya Birla Idea Payments Bank Limited	Indus Towers Limited	Firefly Networks Limited@
1	Last Audited Balance Sheet Date	March 31, 2019	March 31, 2019	March 31, 2019
2	Date on which the Associate or Joint Venture was associated or acquired	February 19, 2016	December 8, 2007	August 31, 2018
	Number of Shares held by the Company as on March 31, 2019	2,787,930,750	132,868	1,000,000
	Amount of Investment in Joint Venture / Associate#	2,788	61,558	10
	Extent of holding %	49.00%	11.15%	50.00%
3	Description of how there is a significant influence	Refer Note 2 below	-	-
4	Reason why the Joint Venture is not consolidated	N.A.	N.A.	N.A.
5	Net worth attributable to Shareholding as per latest audited Balance Sheet*	797	13,562	17
6	Profit / (Loss) for the year			
	i. Considered in Consolidation	(747)	2,701	15
	ii. Not Considered in Consolidation	-	-	-
7	Other Comprehensive Income / (Loss) for the year			
	i. Considered in Consolidation	6	(1)	-
	ii. Not Considered in Consolidation	-	-	-
8	Total Comprehensive Income / (Loss) for the year			
	i. Considered in Consolidation	(741)	2,700	15
	ii. Not Considered in Consolidation	-	-	-

#### Notes:

1. There were no associates or joint ventures liquidated during the Financial Year 2018-19.
  2. 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
- @ Became joint venture w.e.f. August 31, 2018, pursuant to amalgamation of Vodafone Mobile Services Limited with the Company

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

**D. Bhattacharya**  
Director  
(DIN: 00033553)

**Ravinder Takkar**  
Director  
(DIN: 01719511)

**Balesh Sharma**  
Chief Executive Officer

**Akshaya Moondra**  
Chief Financial Officer

**Pankaj Kapdeo**  
Company Secretary

Place: Mumbai  
Date: May 13, 2019



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

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

1	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	To actively contribute to the social and economic development of the communities by leveraging technology and purposeful innovation to catalyse social prosperity, digital literacy and inclusivity. The focus areas of intervention are- Education, Health Care, Sustainable Livelihood and women empowerment. The Company's CSR policy can be accessed on the Company's website: <a href="http://www.vodafoneidea.com">www.vodafoneidea.com</a>
2	The composition of CSR Committee	(i) Ms. Neena Gupta, Chairperson (ii) Mr. Arun Adhikari, Member (iii) Mr. Krishnan Ramachandran, Member (iv) Mr. Ravinder Takkar, Member
3	Average Net Profits of the Company for last three financial years	Not Applicable, as the average net profits for last three financial years is negative.
4	Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)	Nil However, the Company has voluntary spent ₹ 15 Mn on CSR activities as detailed below
5	Details of CSR Spent during the financial year	
	- Total Amount to be spent for the financial year	Nil
	- Amount unspent, if any	Not Applicable
	- Manner in which the amount spent during the financial year	Details specified as under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
1.	<b>Girl Child Education – Vidya Har Beti ka Adhikar</b> 'Vidya Har Beti Ka Adhikar' addresses the need of KHEL, KITAB and KHANA in the government schools. These three basic facilities have facilitated in improving learning environment in around 50 government schools. The key activities taken under the initiative are renovation of basic school infrastructure, refurbishing of library, computer & science laboratory, smart class, construction of toilets etc.	Promoting education	i) Gujarat ii) Madhya Pradesh iii) Andhra Pradesh iv) Uttar Pradesh v) Bihar vi) Odisha vii) West Bengal viii) Rajasthan ix) Tamil Nadu	25	3	21	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
2	<b>Swachh Iconic Place, Somnath Temple under Swachh Bharat Mission</b> The project supplements the Government of India's initiative to enhance cleanliness across India's rich heritage sites. It endeavours to create infrastructure for cleanliness at Somnath temple and in its approach areas. It also aspires to raise awareness among people about cleanliness. Construction of toilets, mobile toilets, safe drinking water facilities, drainage treatment, cleaning of river, cleanliness campaign using IEC materials, clean beach site near temple etc. form its major plank.	Sanitation and making available safe drinking water	Gujarat (Somnath)	50	12	16	Direct
	<b>Total</b>			<b>75</b>	<b>15</b>	<b>37</b>	

#### 6. Reason for not spending two percent of the average net profit of the last three financial years on CSR:

Not Applicable.

As the average net profits calculated for last three financial years is negative, the Company is not obligated to spend on CSR activities for the Financial Year 2018-19. However, believing on giving and caring for the underprivileged and inclusion of all, the Company spent ₹ 15 Mn towards CSR activities. The CSR projects reached out to around 1.11 lakh people including children across 9 States. The Company has received accolades from Ministry of Drinking Water and Sanitation for Somnath Temple Complex, Golden Peacock Award for Corporate Social Responsibility 2018, Voice and Data Award for CSR.

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

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

Place : Mumbai  
Date : July 15, 2019

**Neena Gupta**  
Chairperson - CSR Committee

**Balesh Sharma**  
CEO

## Annexure 'C' to the Directors' Report

### Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto for Financial Year 2018-19:**

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

Particulars	Information
(a) Name(s) of the related party and nature of relationship	Indus Towers Limited (Indus) [Joint venture of the Company]
(b) Nature of contracts/ arrangements/ transactions	Master Service Agreement (MSA) for Passive Infrastructure services and related Operations & Maintenance services
(c) Duration of the contracts/ arrangements/ transactions	The maximum term of each tenancy service contract executed for each passive infrastructure site under the MSA is 10-15 years, with either party having a right to terminate, subject to certain conditions.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Passive Infrastructure services are provided by Indus mainly on co-sharing basis for each Passive Infrastructure site, after obtaining necessary approvals, which enables the Company to deploy active equipment on sites for providing telecom services. The aggregate value of the transaction for Financial Year 2018-19, towards avilment of services from Indus is ₹ 77,185 Mn.
(e) Date(s) of approval by the Board, if any; and Audit Committee	Audit Committee : May 13, 2019 Board Meeting : May 13, 2019
(f) Amount paid as advances, if any	Nil

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

**D. Bhattacharya**  
Director  
(DIN: 00033553)

**Ravinder Takkar**  
Director  
(DIN: 01719511)

Place: Mumbai  
Date: May 13, 2019

**Balesh Sharma**  
Chief Executive Officer

**Akshaya Moondra**  
Chief Financial Officer

**Pankaj Kapdeo**  
Company Secretary

## Annexure 'D' to the Directors' Report

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

#### A. CONSERVATION OF ENERGY

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

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

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

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

#### **Networks**

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

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

The initiatives undertaken are as below:

- Over 70% of VIL BTS portfolio - Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS)
- Over 50,000 sites from IP Partners are green sites.
- 2600 indoor sites converted to outdoor sites in Financial Year 2018-19. New deployment consists of mostly outdoor 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 in Financial Year 2018-19 were at existing 2G sites and/or shared sites as part of the mandated initiative to reduce carbon emissions and energy consumption.
- The Company continued active equipment energy saving initiatives like power savings feature on MGW cards during low traffic period. All new packet-core deployments as well as new MSS/VoLTE circuit-core deployments use cloud architecture.
- RET based generation through PPAs, against VIL's consumption is 8.85 MW.

#### **Green IT**

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

- Cloud Computing & Virtualization: The Company has setup multiple, interconnected, high capacity servers to provide a huge resource pool and centralized management through Cloud computing enabling the delivery of IaaS (Infrastructure as a Service). This Cloud computing initiative has resulted in reduction of hardware footprint & energy consumption as well as optimal utilization of resources.
- Moving to MPS (Managed Print Services): The Company has initiated the process of deploying managed print services for the working environment.

- **Electronic Billing:** The Company constantly attempts to reduce the usage of paper, resulting in physical copies of bills and receipts. This is done through the deployment of best-in-class digital assets and user-friendly payment options. VIL promotes electronic billing to the customers and create awareness on its impact on environment.
- **Video Conferencing:** To reduce GHG (Green House Gases) emissions, the Company actively promotes the use of Video Conferencing (VC) as an alternative to travelling for meetings both inter and intra city, especially for internal purposes.
- **Night-watchman:** A script was deployed at SCCM level, which checked for Powered ON & will shut down machines during off business hours.

### **Data Centre**

Your Company has 2 National Data Centres; one located at Airoli, Mumbai and the other at Hinjewadi, Pune. Both data centers are well under the "Efficient" category on Standard Parameter of PUE (Power Usage Effectiveness). The Company measures Data Centre Energy efficiency on an ongoing basis and the Average PUE is 1.70 for Airoli and 1.80 for Hinjewadi (which falls under the "Efficient" Category). The following measures are being undertaken to reduce energy use and/or save energy and related emissions in your Data Centre:

- Water based Air cooled chillers have been used in the Hinjewadi and Airoli Data Centre to reduce energy consumption.
- Hot & Cold Aisle concept for better air circulation in Data Centre - Usage of Pro-curtain for separation of cold aisle and hot aisle for better cooling. Cold aisle containment implemented to increase HVAC efficiency, saving on energy consumption and to reduce related emissions.
- Active Floor based cooling system - directing the cool air to the area where it is required rather than flooding the entire Area.
- False Flooring & False Ceiling void for better cooling
- Different Temperature zones to reduce air loss
- Thermal Insulation along the flooring/ceiling to reduce heat dissipation including Utility (UPS, Transformer, Battery, Panel) Rooms.
- Usage of Blanking panel in empty space of server Racks to reduce short cycling of cold air and hence for improved HVAC efficiency.
- At Hinjewadi, your Company is using APFC to improve Power Factor in electrical distribution system and to

reduce the energy consumption & Harmonics. At Airoli design accommodates various load balancing to achieve unity PF

- Usage of PAC (Precision Air Conditioner) - Non DX units (without compressor and HVAC gases)
- Variable Frequency Drives (VFDs) have been installed in the data center's HVAC systems to automatically reduce the speed and power consumption of motors when there is lower system load including chilled water pump motors and cooling tower fan motors.
- Based on power audits and an extensive study of energy usage, various initiatives have been undertaken over the years to optimize the usage of electricity, such as:
  - Identification and rectification of hot spots
  - Optimization of lighting and AC Usage (By utilizing LED and occupancy sensor )
- DAPC (Digital Active Power Conditioning) has been installed for Harmonic Distortion to avoid Power Losses, Protection of non-linear load and to improve Power Quality.
- During Winter Season Chiller Optimization obtained by operating 3 Circuits of 2 Chillers in the night. By practicing this the Data Centre has achieved 140 KWH savings per hour while maintaining the desired DC Temp. Other advanced chilled water optimization routines are a part of the Airoli chilled water system.
- In PAC (Precision Air Conditioner), Blower FAN operates as per the Set Point Temp. Blower Fan's Maximum Rated Load is 3.2 KW on 100% Fan speed. It is running Blower Fan at 70% Speed which consume 1.6 KW without affecting the Cooling Requirement of the Data Centre.
- Due to Efficient Running of Chillers and PAC's VIL is able to manage the chilled water flow by operating Single Pump System at Hinjewadi.
- VRV (Variable Refrigerant Volume) System are installed in office areas for office cooling. Apart from Workstation Area, the VRV System operates on need basis in Meeting Rooms & Cabins. Also on weekends VRV System operates on need basis only in areas where the actual staff is present.
- Implemented LED lighting system in DC and most of the office floors and also office area lighting is scheduled and on need basis in areas where the actual staff is present after the office hours. By practicing this, VIL is achieving power saving without compromising lux level in required office areas.

- Reduction in frequency of Daily DG Test Run, which has resulted in saving of fuel & DG running hours without compromising the reliability /Availability of Data Centre backup power.
  - Carrying all the planned preventive maintenance activities of the Utility systems like HT Panels, Transformers during the scheduled MSEB Power shutdown, which has resulted in reducing the DG running hours /Fuel Consumption.
  - Sourcing of Renewable energy for Data Centre is under progress.
- VRV and inverter based Air conditioning is being used in office area instead of a centralized system.
  - Switching off all non- critical loads (office AC, lights, unused meeting rooms/cabins etc.) after working hours.
  - Switching off all FACADE lights near to outer glass of premises.

### Facilities

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

- Your Company is replacing existing CFL based lighting fixtures to LED based fixtures on OPEX model for older facilities to achieve 100 percent conversion to lesser consumption loads.
- All new facilities are being designed to conform to LEED certification standards. This will ensure lesser energy and water consumption per sq. ft. basis and also reduce the company's carbon footprint.

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

The following initiatives have been undertaken by the Company in the previous years, to utilize alternate sources of energy, and the same installations continued to be service in Financial Year 2018-19 also.

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

**Off-Site Renewable Energy (RE) Deployment:** This concept was also initiated in Financial Year 2014-15 based on Carbon abatement principle. In Financial Year 2018-19:

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

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

The capital investment on energy conservation equipment was not material during the Financial Year ended March 31, 2019.

**B. TECHNOLOGY ABSORPTION****a) Efforts made towards technology absorption**

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

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

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

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

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

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

With the help of latest technology, we have transformed our network in an environment-friendly manner by deploying 'green' base stations, reducing power consumption and footprint, converting a majority of units into outdoor units, and eliminating the need for air-conditioning. These steps have resulted in significant reduction in our carbon footprint.

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

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

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

None

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total foreign exchange used and earned for the year:

- (a) Total Foreign Exchange Earnings : ₹ 10,611 Mn
- (b) Total Foreign Exchange Outgo : ₹ 47,946 Mn

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

**Kumar Mangalam Birla**

Chairman

(DIN: 00012813)

Place: Kolkata

Date: July 26, 2019

## Annexure 'E' to the Directors' Report

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

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19 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 2018-19 (₹ in Lacs)	% increase in Remuneration in FY 2018-19 <sup>5</sup>	Ratio of remuneration of each KMP to median remuneration of employees
1.	Mr. Himanshu Kapania Managing Director (Upto August 31, 2018)	662.08		Note (a)
2.	Mr. Balesh Sharma Chief Executive Officer (w.e.f. August 31, 2018)	490.91	Note (b)	51.03
3.	Mr. Akshaya Moondra <sup>(c)</sup> Chief Financial Officer	322.07*	None <sup>^</sup>	33.48
4.	Mr. Pankaj Kapdeo Company Secretary	118.06*	None <sup>^</sup>	12.27

#### Notes:

(a) Mr. Himanshu Kapania stepped down from the position of Managing Director with effect from August 31, 2018 and is continuing as a Non-Executive Director w.e.f August 31, 2018. As the remuneration drawn by him in his capacity as Managing Director is only for part of the year, the increase in remuneration is not stated. Also, the ratio of remuneration to median remuneration is not comparable.

(b) Mr. Balesh Sharma has been appointed as the Chief Executive Officer (CEO) of the Company with effect from August 31, 2018 and as such was not entitled for any increase in remuneration during FY 2018-19.

(c) Mr. Akshaya Moondra who was a Whole-time Director and Chief Financial Officer, resigned as Whole-time Director of the Company effective from August 31, 2018. He is however, continuing as the Chief Financial Officer of the Company.

<sup>^</sup> No increment has been given to employees during the Financial Year 2018-19. However, retention pay has been paid to certain employees, including Chief Financial Officer and Company Secretary.

\* The remuneration includes special incentive paid in the Financial Year 2018-19.

§ Based on Annualized Remuneration



**(ii) The percentage increase in the median remuneration of the employees of the Company for the financial year 2018-19**

There has been no increase in the remuneration of the employees during the Financial Year 2018-19, as compared to the Financial Year 2017-18.

The Median Remuneration of Employees of the Company during the Financial Year 2018-19 was ₹ 9.62 Lacs (Previous Year ₹ 8.99 lacs). Pursuant to merger of Vodafone India Limited and Vodafone Mobile Services Limited with the Company, the median remuneration has been changed compared to the previous financial year.

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

There were 13,520 permanent employees on the rolls of Company as on March 31, 2019.

**(iv) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2018-19 and its comparison with the percentage increase in the managerial remuneration:**

During the Financial Year 2018-19, no increase has been made in the remuneration of employees including KMPs. However, the remuneration of Senior Leadership Team (which includes CFO) has been increased in Financial Year 2019-20, effective from January 1, 2019.

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

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

## Annexure 'F' to the Directors' Report

### Secretarial Audit Report

For the Financial Year ended on 31st March 31, 2019

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

To,

**The Members,**

**Vodafone Idea Limited,**

(Formerly Known as Idea Cellular Limited)

Suman Tower, Plot No. 18,

Sector-11, Gandhinagar-382011

Sirs,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives 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 31st March, 2019 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September 2018); **(Not Applicable to the Company during the Audit Period)**
- (vi) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

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

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

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

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

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

We further Report That,

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

**We further report that:**

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

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

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

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

**We further report that** during the year under report the Hon'ble National Company Law Tribunal, bench at

Mumbai, approved Composite Scheme of Amalgamation and Arrangement among erstwhile Vodafone Mobile Services Limited and erstwhile Vodafone India Limited and Idea Cellular Limited (now known as Vodafone Idea Limited) and the said Scheme was implemented on August 31, 2018 by completing statutory formalities by Vodafone Idea Limited. The said Scheme was earlier approved by Ahmedabad bench of Hon'ble National Company Law Tribunal.

**We further report that** during the year under report, Hon'ble National Company Law Tribunal, bench at Ahmedabad, approved amalgamation of Aditya Birla Telecom Limited, a wholly owned subsidiary of Vodafone Idea Limited with Vodafone Idea Limited. The scheme of amalgamation was made effective by Vodafone Idea Limited on November 30, 2018 by completing all statutory formalities.

**We further report that** during the year under report, the Board of Vodafone Idea Limited also approved a Scheme of Arrangement between the Company and Vodafone Towers Limited ( a wholly owned subsidiary of the Company) for transfer of Fiber Infrastructure Undertaking. The Scheme is currently pending before Hon'ble National Company Law Tribunal bench at Ahmedabad for approval.

**We further report that during the year under review i.e. 2018-19,** the Board of Vodafone Idea Limited announced a Rights Issue of its equity shares of upto ₹ 25,000 crores. The issue was completed by the said Company in current financial year.

**We further report that following items were considered and approved by shareholder of Vodafone Idea Limited at the Annual General Meeting held on December 22, 2018:**

1. Approval of Material Related Party of the Company with Indus Towers Limited;
2. Approval of Vodafone Idea Limited employee Stock Option Scheme 2018;
3. Appointed Mr. Balesh Sharma as the Chief Executive Officer of the Company on terms and conditions as set out in AGM notice circulated to shareholders.

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

**Place:** Ahmedabad  
**Date:** July 9, 2019

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

## Annexure 1 to the Secretarial Audit Report

To,

**The Members,**

**Vodafone Idea Limited,**

(Formerly Known as Idea Cellular Limited)

Suman Tower, Plot No. 18,

Sector-11, Gandhinagar-382011

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

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

representation about the compliance of laws, rules and regulations and happenings of events etc.

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

**Place:** Ahmedabad

**Date:** July 9, 2019

**Umesh Ved**

**Umesh Ved & Associates  
Company Secretaries**

**FCS No.: 4411**

**C.P. No.: 2924**

## Annexure 'G' to the Directors' Report

**Form No. MGT-9**

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

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

#### I REGISTRATION AND OTHER DETAILS

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

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address	CIN / Registration No.	Holding / Subsidiary / Associate Company	% of Shares held	Applicable Section
1	Idea Cellular Services Limited	Suman Tower, Plot No. 18, Sector 11, Gandhinagar-382011	U74140GJ2007PLC051881	Subsidiary	100%	2(87)
2	Idea Telesystems Limited	A-26/5, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi- 110044	U74899DL1983PLC016517	Subsidiary	100%	2(87)
3	Vodafone Business Services Limited #	Vodafone House, Corporate Road Prahad Nagar, off: S.G. Highway, Ahmedabad - 380051	U74900GJ2009PLC058189	Subsidiary	100%	2(87)
4	Vodafone m-pesa Limited #	Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	U67100MH2014PLC258108	Subsidiary	100%	2(87)
5	Mobile Commerce Solutions Limited #	Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	U74900MH2008PLC183456	Subsidiary	100%	2(87)
6	Vodafone Foundation #	Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	U65999MH2008NPL182612	Subsidiary	100%	2(87)
7	Vodafone Technology Solutions Limited #	Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	U72900MH2014PLC260105	Subsidiary	100%	2(87)
8	Vodafone Towers Limited #	Vodafone House, Corporate Road Prahad Nagar, off: S.G. Highway, Ahmedabad - 380051	U64200GJ2007PLC106772	Subsidiary	100%	2(87)
9	Vodafone India Ventures Limited #	Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	U64204MH2016PLC287257	Subsidiary	100%	2(87)
10	Vodafone India Digital Limited #	Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	U74999MH2017PLC293094	Subsidiary	100%	2(87)
11	Idea Cellular Infrastructure Services Limited @	Suman Tower, Plot No. 18, Sector 11, Gandhinagar-382011, Gujarat	U45208GJ2007PLC051880	Subsidiary	100%	2(87)
12	You Broadband India Limited #	Plot No. 54, Marol Co-operative Industrial Estate, Makwana, Andheri East, Mumbai - 400059	U51909MH2000PLC139321	Subsidiary	100%	2(87)
13	You System Integration Private Limited #	Plot No. 54, Marol Co-operative Industrial Estate, Makwana, Andheri East, Mumbai - 400059	U74900MH2008PTC186615	Subsidiary	100%	2(87)
14	Aditya Birla Idea Payments Bank Limited	A4, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai- 400 030	U65923MH2016PLC273308	Associate Company	49%	2(6)
15	Firefly Networks Limited \$	A-19, Mohan Co-operative Industrial Estate, Mathura Road New Delhi - 110044	U74999DL2014PLC264417	Joint Venture	50%	2(6)
16	Indus Towers Limited	Building No. 10, Tower-A, 4th Floor, DLF Cyber City, Gurugram - 122002	U92100DL2007PLC170574	Joint Venture	11.15%	2(6)

# Became subsidiaries of the Company effective August 31, 2018, pursuant to amalgamation of Vodafone India Limited and Vodafone Mobile Services Limited with the Company

\$ Became joint venture of the Company effective August 31, 2018, pursuant to amalgamation of Vodafone Mobile Services Limited with the Company

@ Ceased to be a subsidiary of the Company with effect from May 31, 2018

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

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

Category of shareholders	No. of Shares held at the beginning of the year (As on 01-04-2018)				No. of Shares held at the end of the year (As on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>1 Indian</b>									
(a) Individual/HUF	2,33,333	-	2,33,333	0.01	2,33,333	-	2,33,333	0.00	0.00
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	1,52,88,47,379	-	1,52,88,47,379	35.07	2,31,86,11,285	-	2,31,86,11,285	26.54	-8.53
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>1,52,90,80,712</b>	<b>-</b>	<b>1,52,90,80,712</b>	<b>35.08</b>	<b>2,31,88,44,618</b>	<b>-</b>	<b>2,31,88,44,618</b>	<b>26.54</b>	<b>-8.53</b>
<b>2 Foreign</b>									
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies corp	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other	32,64,00,000	-	32,64,00,000	7.49	3,91,18,35,558	-	3,91,18,35,558	44.78	37.29
<b>Sub-total (A)(2)</b>	<b>32,64,00,000</b>	<b>-</b>	<b>32,64,00,000</b>	<b>7.49</b>	<b>3,91,18,35,558</b>	<b>-</b>	<b>3,91,18,35,558</b>	<b>44.78</b>	<b>37.29</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>1,85,54,80,712</b>	<b>-</b>	<b>1,85,54,80,712</b>	<b>42.56</b>	<b>6,23,06,80,176</b>	<b>-</b>	<b>6,23,06,80,176</b>	<b>71.33</b>	<b>28.76</b>
<b>B. Public Shareholding</b>									
<b>1 Institutions</b>									
(a) Mutual Funds	29,23,54,955	-	29,23,54,955	6.71	26,77,77,645	-	26,77,77,645	3.07	-3.64
(b) Banks/FI	41,79,699	-	41,79,699	0.10	32,22,661	-	32,22,661	0.04	-0.06
(c) Central Government	-	-	-	-	-	-	-	-	0.00
(d) State Government	-	-	-	-	-	-	-	-	0.00
(e) Venture Capital Funds	5,00,000	-	5,00,000	0.01	-	-	0	0.00	-0.01
(f) Insurance Companies	20,46,56,074	-	20,46,56,074	4.69	11,90,45,349	-	11,90,45,349	1.36	-3.33
(g) FIs	1,16,48,50,855	-	1,16,48,50,855	26.72	1,14,73,49,360	-	1,14,73,49,360	13.13	-13.59
(h) Alternate Investment Funds	61,81,515	-	61,81,515	0.14	-	-	0	0.00	-0.14
(i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0.00
Any Other	-	-	-	-	-	-	-	-	0.00
<b>Sub-total (B)(1)</b>	<b>1,67,27,23,098</b>	<b>-</b>	<b>1,67,27,23,098</b>	<b>38.37</b>	<b>1,53,73,95,015</b>	<b>-</b>	<b>1,53,73,95,015</b>	<b>17.60</b>	<b>-20.77</b>
<b>2 Non-Institutions</b>									
(a) Bodies Corporate									
i) Indian	2,31,43,917	-	2,31,43,917	0.53	2,07,50,453	-	2,07,50,453	0.24	-0.29
ii) Overseas	-	-	-	-	-	-	-	-	0.00
(b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	6,14,91,422	3164	6,14,94,586	1.41	12,10,09,808	2,692	12,10,12,500	1.39	-0.03
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	2,12,14,137	-	2,12,14,137	0.49	4,80,02,166	-	4,80,02,166	0.55	0.06

Category of shareholders	No. of Shares held at the beginning of the year (As on 01-04-2018)				No. of Shares held at the end of the year (As on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(c) Others									
Qualified Foreign Investor	-	-	-	-	-	-	-	-	0.00
Foreign Companies	71,20,00,543	-	71,20,00,543	16.33	71,20,00,543	-	71,20,00,543	8.15	-8.18
Non-resident Indians	28,57,388	5,000	28,62,388	0.07	49,16,844	5,000	49,21,844	0.06	-0.01
Trust	59,54,301	-	59,54,301	0.14	5,72,758	-	5,72,758	0.01	-0.13
Clearing Members	30,69,249	-	30,69,249	0.07	5,93,76,636	-	5,93,76,636	0.68	0.61
HUF	-	-	-	-	9,628	-	9,628	0.00	-
Director	13,77,999	-	13,77,999	0.03	8,36,610	-	8,36,610	0.01	-0.02
<b>Sub-total (B)(2)</b>	<b>83,11,08,956</b>	<b>8,164</b>	<b>83,11,17,120</b>	<b>19.07</b>	<b>96,74,75,446</b>	<b>7,692</b>	<b>96,74,83,138</b>	<b>11.08</b>	<b>-7.99</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2,50,38,32,054</b>	<b>8,164</b>	<b>2,50,38,40,218</b>	<b>57.44</b>	<b>2,50,48,70,461</b>	<b>7,692</b>	<b>2,50,48,78,153</b>	<b>28.67</b>	<b>-28.76</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4,35,93,12,766</b>	<b>8,164</b>	<b>4,35,93,20,930</b>	<b>100.00</b>	<b>8,73,55,50,637</b>	<b>7,692</b>	<b>8,73,55,58,329</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year <sup>(#)</sup>
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Birla TMT Holdings Pvt. Ltd.	28,37,98,538	6.51%	-	35,37,98,538	4.05%	-	-2.46%
2	Hindalco Industries Limited	22,83,40,226	5.24%	-	22,83,40,226	2.61%	-	-2.62%
3	Grasim Industries Limited	1,00,85,40,115	23.14%	-	1,00,85,40,115	11.55%	-	-11.59%
4	Pilani Investment and Industries Corporation Ltd.	81,68,500	0.19%	-	81,68,500	0.09%	-	-0.09%
5	Mr. Kumar Mangalam Birla	2,33,333	0.01%	-	2,33,333	0.00%	-	0.00%
6	Oriana Investments Pte. Ltd.	16,32,00,000	3.74%	-	16,32,00,000	1.87%	-	3.74%
7	Elaine Investments Pte. Ltd.	16,32,00,000	3.74%	-	16,32,00,000	1.87%	-	3.74%
8	IGH Holdings Private Limited <sup>@</sup>	-	-	-	34,96,23,009	4.00%	-	4.00%
9	Omega Telecom Holdings Private Limited <sup>#</sup>	-	-	-	7,66,87,227	0.88%	-	0.88%
10	Jaykay Finholding (India) Private Limited <sup>#</sup>	-	-	-	75,92,136	0.09%	-	0.09%
11	Usha Martin Telematics Limited <sup>#</sup>	-	-	-	9,11,23,113	1.04%	-	1.04%
12	Telecom Investments India Private Limited <sup>#</sup>	-	-	-	19,47,38,421	2.23%	-	2.23%
13	Euro Pacific Securities Ltd <sup>#</sup>	-	-	-	79,27,54,922	9.08%	-	9.08%
14	Vodafone Telecommunications (India) Limited <sup>#</sup>	-	-	-	49,38,51,584	5.65%	-	5.65%
15	CCII (Mauritius) Inc <sup>#</sup>	-	-	-	13,56,02,165	1.55%	-	1.55%
16	Trans Crystal Ltd <sup>#</sup>	-	-	-	44,41,87,567	5.08%	-	5.08%
17	Mobilvest <sup>#</sup>	-	-	-	50,95,02,318	5.83%	-	5.83%
18	Asian Telecommunications Investments (Mauritius) Limited <sup>#</sup>	-	-	-	29,80,62,840	3.41%	-	3.41%
19	Al-Amin Investments Ltd <sup>#</sup>	-	-	-	24,70,74,233	2.83%	-	2.83%
20	Prime Metals Limited <sup>#</sup>	-	-	-	66,43,99,929	7.61%	-	7.61%
	<b>Total</b>	<b>1,85,54,80,712</b>	<b>42.56%</b>	<b>-</b>	<b>6,23,06,80,176</b>	<b>71.33%</b>	<b>-</b>	<b>39.99%</b>

@ Inter-se Transfer amongst Promoter Group

# Became Promoters of the Company effective from August 31, 2018, consequent to amalgamation of Vodafone India Limited and Vodafone Mobile Services Limited with the Company through a composite Scheme of Amalgamation and Arrangement.



## iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoter	Shareholding at the beginning of the year		Date	Increase / Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of year			
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company		
1	Birla TMT Holdings Pvt. Ltd.	28,37,98,538	6.51%	April 1, 2018	7,00,00,000	Inter-se Transfer from Promoters	35,37,98,538	4.05		
				August 31, 2018						
				March 31, 2019						
2	IGH Holdings Private Limited	-	-	April 1, 2018	34,96,23,009	Inter-se Transfer from Promoters	34,96,23,009	4.00		
				August 31, 2018						
				March 31, 2019						
3	Omega Telecom Holdings Private Limited	-	-	April 1, 2018	7,66,87,227	See Note Below	7,66,87,227	0.88		
				August 31, 2018						
				March 31, 2019						
4	Jaykay Finholding (India) Private Limited	-	-	April 1, 2018	75,92,136	See Note Below	75,92,136	0.09		
				August 31, 2018						
				March 31, 2019						
5	Usha Martin Telematics Limited	-	-	April 1, 2018	9,11,23,113	See Note Below	9,11,23,113	1.04		
				August 31, 2018						
				March 31, 2019						
6	Telecom Investments India Private Limited	-	-	April 1, 2018	19,47,38,421	See Note Below	19,47,38,421	2.23		
				August 31, 2018						
				March 31, 2019						
7	Vodafone Telecommunications (India) Limited	-	-	April 1, 2018	49,38,51,584	See Note Below	49,38,51,584	5.65		
				August 31, 2018						
				March 31, 2019						
8	CCII (Mauritius) Inc	-	-	April 1, 2018	13,56,02,165	See Note Below	13,56,02,165	1.55		
				August 31, 2018						
				March 31, 2019						
9	Trans Crystal Ltd	-	-	April 1, 2018	44,41,87,567	See Note Below	44,41,87,567	5.08		
				August 31, 2018						
				March 31, 2019						
10	Mobilvest	-	-	April 1, 2018	50,95,02,318	See Note Below	50,95,02,318	5.83		
				August 31, 2018						
				March 31, 2019						
11	Prime Metals Ltd	-	-	April 1, 2018	66,43,99,929	See Note Below	66,43,99,929	7.61		
				August 31, 2018						
				March 31, 2019						
12	Al-Amin Investments Ltd	-	-	April 1, 2018	24,70,74,233	See Note Below	24,70,74,233	2.83		
				August 31, 2018						
				March 31, 2019						
13	Asian Telecommunications Investments (Mauritius) Limited	-	-	April 1, 2018	29,80,62,840	See Note Below	29,80,62,840	3.41		
				August 31, 2018						
				March 31, 2019						
14	Euro Pacific Securities Ltd	-	-	April 1, 2018	1,21,23,77,931	See Note Below	79,27,54,922	9.08		
				August 31, 2018						
				August 31, 2018					(34,96,23,009)	Inter-se Transfer to Promoters
				August 31, 2018					(7,00,00,000)	
				March 31, 2019						

**Note:** The Equity Shares have been allotted to the shareholders of Vodafone India Limited, pursuant to Composite Scheme of Amalgamation and Arrangement amongst Vodafone Mobile Services Limited and Vodafone India Limited with the Company, which became effective on August 31, 2018. The 12 entities form part of Vodafone Group and have since become Promoters of the Company.

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Change in shareholding (No. of shares)		Shareholding at the end of year	
		No. of shares	% of total shares of the Company <sup>@</sup>	Bought during the year	Sold during the year	No. of shares	% of total shares of the Company <sup>#</sup>
1	Axiata Investments 1 (India) Limited	46,47,34,670	10.66	-	-	46,47,34,670	5.32
2	Axiata Investments 2 (India) Limited	24,72,65,873	5.67	-	-	24,72,65,873	2.83
3	ICICI Prudential Life Insurance Company Ltd	15,29,25,389	3.51	1,18,82,762	9,04,59,781	7,43,48,370	0.85
4	Franklin Templeton Investment Funds	11,71,94,916	2.69	2,83,08,224	4,93,58,610	9,61,44,530	1.10
5	First State Investments ICVC -Stewart Investor Asia Pacific Leaders Fund	7,58,57,692	1.74	-	7,58,57,692	-	0.00
6	First State Investments ICVC- Stewart Investors Global Emerging Markets Leaders Fund	5,28,92,154	1.21	2,78,86,394	1,33,28,067	6,74,50,481	0.77
7	HSBC Pooled Investment Fund - HSBC Pooled Asia Pacific Ex Japan Equity Fund	2,76,88,350	0.64	2,70,40,880	-	5,47,29,230	0.63
8	Goldman Sachs India Limited	4,54,25,515	1.04	-	4,54,25,515	-	0.00
9	Vanguard International Growth Fund	4,53,57,324	1.04	-	4,53,57,324	-	0.00
10	Franklin Templeton Mutual Fund A/c Franklin India Equity Advantage Fund	3,00,00,000	0.69	1,20,00,000	-	4,20,00,000	0.48
11	Vanguard Total International Stock Index Fund	2,12,22,100	0.49	1,82,96,157	-	3,95,18,257	0.45
12	Stewart Investors Global Emerging Markets Leaders Fund	1,88,07,704	0.43	2,04,29,131	-	3,92,36,835	0.45
13	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity	2,47,31,346	0.57	1,20,85,835	7,07,151	3,61,10,030	0.41
14	Citigroup Global Markets Mauritius Private Limited - Cash Trading	3,05,88,388	0.70	5,11,635	3,10,96,544	3,479	0.00

**Notes**

1 The above information is based on the weekly beneficiary position received from Depositories. As it is not feasible to provide daily change in shareholding, therefore consolidated changes during the financial year 2018-19 has been provided.

2 Date wise increase/ decrease in shareholding of the top ten shareholders is available on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com)

@ Percentage calculated on the paid-up share capital (i.e. 4,359,320,930 Equity Shares) as at beginning of the year.

# Percentage calculated on the paid-up share capital (i.e. 8,735,558,329 Equity Shares) as at end of the year.

## v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase / Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
<b>A Directors</b>								
1	Mr. Kumar Mangalam Birla	2,33,333	0.01	April 1, 2018				
				March 31, 2019			2,33,333	0.00
2	Mr. Arun Thiagarajan	7,700	0.00	April 1, 2018				
				March 31, 2019			7,700	0.00
3	Mr. D Bhattacharya <sup>#</sup>	6,202	0.00	August 31, 2018				
				March 31, 2019			6,202	0.00
4	Mr. Himanshu Kapania <sup>\$</sup>	8,42,708	0.02	April 1, 2018				
				May 25, 2018	(10,000)	Market Sale		
				August 6, 2018	(10,000)	Market Sale		
				March 31, 2019			8,22,708	0.01
5	Mr. Sanjeev Aga <sup>@</sup>	2,50,000	0.01	April 1, 2018				
				August 31, 2018			2,50,000	0.01
6	Ms. Tarjani Vakil <sup>&amp;</sup>	147	0.00	April 1, 2018				
				September 17, 2019			147	0.00
<b>B. Key Managerial Personnel</b>								
1	Mr. Balesh Sharma <sup>^</sup>	1,000	0.00	August 31, 2018				
				March 31, 2019			1,000	0.00
2	Mr. Akshaya Moondra <sup>*</sup>	2,77,444	0.01	April 1, 2018				
				March 28, 2019	(15,000)	Off-market transfer to Relative		
				March 31, 2019			2,62,444	0.00
3	Mr. Pankaj Kapdeo	69,452	0.00	April 1, 2018				
				March 31, 2019			69,452	0.00

**Note**

1 Shares held singly or as first holder only considered

# Appointed as Non-Executive Director with effect from August 31, 2018

\$ Stepped-down as Managing Director with effect from August 31, 2018. However, continuing as a Non-Executive Director

@ Resigned as Director with effect from August 31, 2018

& Resigned as Director with effect from September 17, 2018

^ Mr. Balesh Sharma has been appointed as CEO of the Company with effect from August 31, 2018.

\* Mr. Akshaya Moondra, who was acting as the Whole-time Director & Chief Financial Officer resigned from the position of Whole-time Director with effect from August 31, 2018. He is however, continuing as Chief Financial Officer of the Company.

## V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	₹ Mn Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	94,054	4,85,798	-	5,79,852
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	159	27,649	-	27,808
<b>Total (i+ii+iii)</b>	<b>94,213</b>	<b>5,13,447</b>	<b>-</b>	<b>6,07,660</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition*	39,146	8,01,794	-	8,40,940
• Reduction	(7,915)	(1,17,136)	-	(1,25,051)
<b>Net Change</b>	<b>31,231</b>	<b>6,84,658</b>	<b>-</b>	<b>7,15,889</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,24,592	11,34,807	-	12,59,399
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	852	63,298	-	64,150
<b>Total (i+ii+iii)</b>	<b>1,25,444</b>	<b>11,98,105</b>	<b>-</b>	<b>13,23,549</b>

\* Amount includes amounts of erstwhile Vodafone Mobile Services Limited and erstwhile Vodafone India Limited, which have since been amalgamated with the Company w.e.f August 31, 2018.

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Mr. Himanshu Kapania# (Managing Director) (Upto August 31, 2018)	Mr. Akshaya Moondra^ (Whole Time Director & CFO) (Upto August 31, 2018)	₹ Mn
1	Gross Salary			
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	63.49		19.77
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961	1.68		0.18
c.	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-		-
2	Stock Options	-		-
3	Sweat Equity	-		-
4	Commission			
-	as % of profit	-		-
-	other, specify	-		-
5	Others (Retiral Benefits)	1.03		0.24
	<b>Total (A)</b>	<b>66.21</b>		<b>20.19</b>
	Ceiling as per the Act@@	<b>87.97</b>		<b>87.97</b>

#### Notes:

# Stepped-down as Managing Director with effect from August 31, 2018. However, continuing as Non-Executive Director

^ Stepped-down as Whole-time Director with effect from August 31, 2018. However, continuing as Chief Financial Officer

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

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

₹ Mn

Name of Director	Fee for attending Board/ committee meetings	Commission	Total Amount
<b>Independent Directors</b>			
Mr. Arun Thiagarajan	0.59	-	0.59
Mr. Ashwani Windlass (Appointed w.e.f August 31, 2018)	0.70	-	0.70
Mr Arun Adhikari (Appointed w.e.f August 31, 2018)	0.40	-	0.40
Mr. Mohan Gyani (Resigned w.e.f August 31, 2018)	0.00	-	0.00
Mr. B.R.Gupta (Resigned w.e.f August 31, 2018)	0.25	-	0.25
Mr. P. Murari (Resigned w.e.f August 31, 2018)	0.05	-	0.05
Ms. Tarjani Vakil (Resigned w.e.f September 17, 2018)	0.44	-	0.44
Mr. Uday Khanna (Appointed w.e.f August 31, 2018 and Resigned w.e.f September 28, 2018)	0.05	-	0.05
Ms Neena Gupta (Appointed w.e.f September 17, 2018)	0.40	-	0.40
Mr Douglas Baillie (Appointed w.e.f August 31, 2018 and Resigned w.e.f November 14, 2018)	0.05	-	0.05
Mr Krishnan Ramachandran (Appointed w.e.f December 27, 2018)	0.35	-	0.35
Mr Suresh Vaswani (Appointed w.e.f February 8, 2019)	0.10	-	0.10
<b>Total (B1)</b>	<b>3.38</b>	<b>-</b>	<b>3.38</b>
<b>Non-Executive Directors</b>			
Mr. Kumar Mangalam Birla (Chairman)#	0.26	-	0.26
Mrs. Rajashree Birla# (Resigned w.e.f August 31, 2018)	0.10	-	0.10
Mr. Himanshu Kapania# (Stepped down as Managing Director w.e.f. August 31, 2018. However, continuing as Non-Executive Director)	-	-	-
Mr. Sanjeev Aga (Resigned w.e.f August 31, 2018)	0.24	-	0.24
Mr. D. Bhattacharya (Appointed w.e.f August 31, 2018)	-	-	-
Mr. Ravinder Takkar (Appointed w.e.f August 31, 2018)	-	-	-
Mr. Thomas Reisten (Appointed w.e.f August 31, 2018)	-	-	-
Mr. Vivek Badrinath (Appointed w.e.f August 31, 2018)	-	-	-
<b>Total (B2)</b>	<b>0.60</b>	<b>-</b>	<b>0.60</b>
<b>Total (B) = (B1) + (B2)</b>	<b>3.98</b>	<b>-</b>	<b>3.98</b>
Total ceiling as per the act	Sitting Fees paid is within the limits specified under the Companies Act, 2013		

**Note:**

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.

# Sitting fees payable to these Directors uptill 31 August 2018

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

₹ Mn

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Balesh Sharma <sup>§</sup> Chief Executive Officer	Mr. Akshaya Moondra <sup>#</sup> Chief Financial Officer	Mr. Pankaj Kapdeo Company Secretary	
1	Gross Salary				
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	22.97	11.41	11.23	45.61
	b. Value of perquisites u/s 17(2) of Income Tax Act, 1961 <sup>®</sup>	25.06	0.28	0.03	25.37
	c. Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- other, specify	-	-	-	-
5	Others (Retiral Benefits)	1.06	0.34	0.54	1.94
	<b>Total (A)</b>	<b>49.09</b>	<b>12.02</b>	<b>11.81</b>	<b>72.92</b>

**Notes:**

# Mr. Akshaya Moondra was acting as Whole-time Director and Chief Financial Officer. He stepped-down as Whole-time Director with effect from August 31, 2018 but is however continuing as Chief Financial Officer. The above remuneration is for period August 31, 2018 to March 31, 2019

§ Mr. Balesh Sharma has been appointed as Chief Executive Officer of the Company with effect from August 31, 2018. The above remuneration is for period August 31, 2018 to March 31, 2019

**VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

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

## Annexure 'H' to the Directors' Report

### Dividend Distribution Policy

#### 1.0 Introduction

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

#### 2.0 Target Dividend Payout

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

in each case, *plus* any additional amounts (such additional amounts to be determined by the Board) in respect of any previous financial year(s) that

would, but for any of the restrictions referred to in this Policy, have been so distributed but which have not been so distributed and can then be distributed.

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

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

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

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

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

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

#### 5.0 Retained Earnings

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

## 6.0 Review

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

## 7.0 Disclosure

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

## 8.0 Definitions

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

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

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

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

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

- (c) accrued interest payable;
- (d) any interest bearing amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
- (e) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (f) the amount of any liability in respect of any finance lease;
- (g) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (h) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing under Ind AS;
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and
- (j) shares which are expressed to be redeemable or shares or instruments convertible into shares (other than compulsorily convertible instruments), provided in each case that there shall be no double-counting of any indebtedness;

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

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

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



with the accounting policies of the Company and by reference to the Financial Statements;

- 8.7 "Integration Costs" means costs incurred on or after 31 August 2018 in connection with the combination of the Company and Vodafone India Limited, which would not have been incurred otherwise;
- 8.8 "Leverage Ratio" means, at any time, the ratio of the Net Financial Debt to LTM EBITDA, each of which shall have been determined with reference to the same time;
- 8.9 "LTM EBITDA" means, at any time, the EBITDA (by reference to the Financial Statements) for the 12 (twelve) months up to the end of the most recent calendar quarter ended 31 March, 30 June, 30 September or 31 December. Where LTM EBITDA requires EBITDA to be determined for periods prior to 31 August 2018, EBITDA for these periods shall be taken from the Financial Statements and the Vodafone Financial Statements and aggregated;

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

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

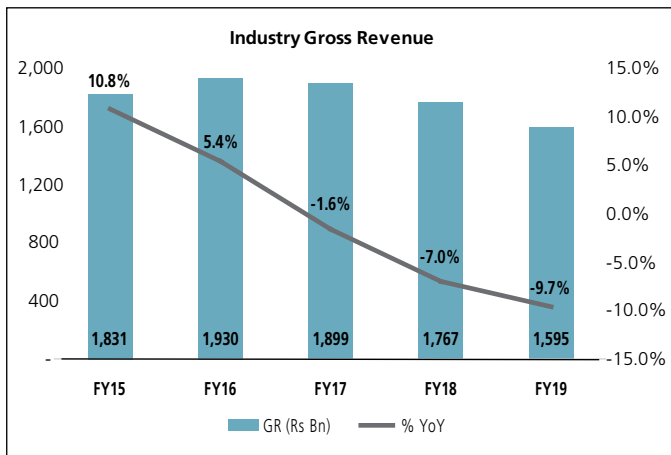
## 9.0 General

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).

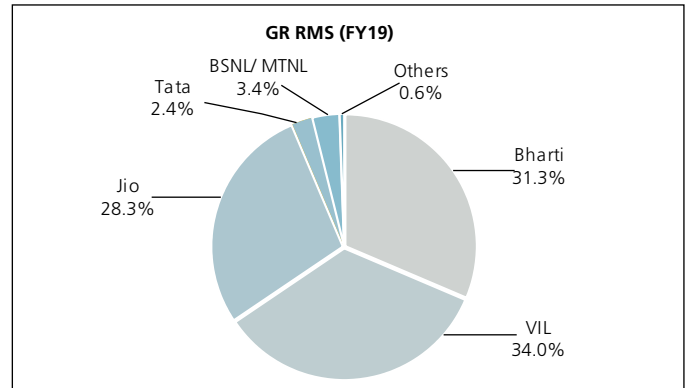
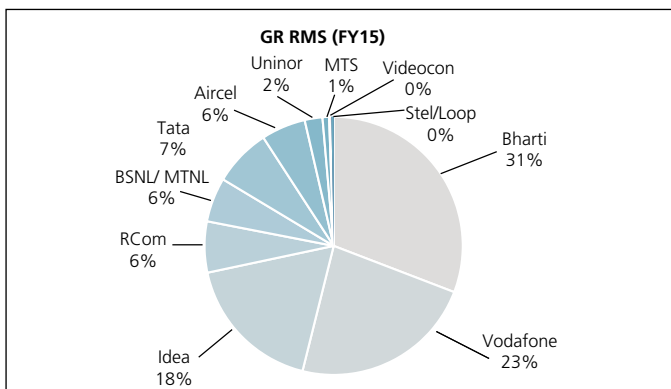
# Management Discussion and Analysis Report

## Indian Wireless Sector

The Indian wireless industry has continued to remain under significant stress with unrelenting pricing pressure since launch of the new 4G mobile operator in September 2016. All the operators have been selling aggressive unlimited voice bundled data plans which are heavily discounted, in order to defend their subscriber base which has led to significant ARPU erosion. This has led to worsening financial distress for the operators and shrinking the overall revenue of the industry. The Gross Revenue (GR) for FY19 has declined by nearly ₹ 304 Bn in last two years, a fall of 16.0% compared to FY17. The below chart depicts the steep decline in industry revenue since FY17.



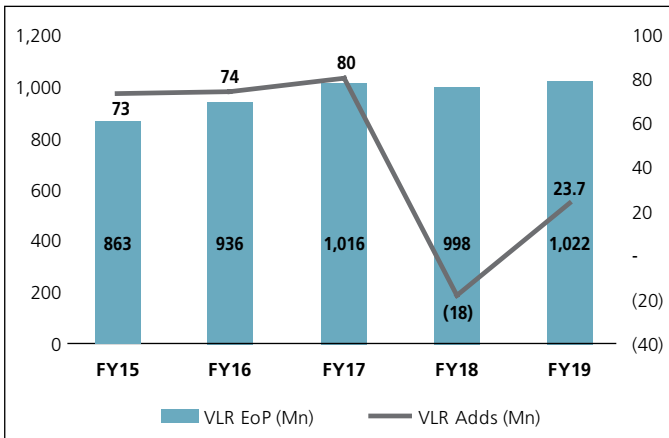
While the industry grappled with unsustainable ARPU and resultant revenue decline, the increasing demand for data continued to demand massive network investments. The stretched financial position has forced most of the operators to either exit or consolidate following which the industry has now consolidated among three large private Pan India operators i.e. Vodafone Idea, Bharti Airtel and Jio, and one government operator i.e. BSNL/MTNL, compared to 8-10 operators earlier.



GR share of top three operators in FY15 (Bharti, Vodafone and Idea) was 72% which has increased to 94% in FY19 (Bharti, Vodafone Idea and Jio).

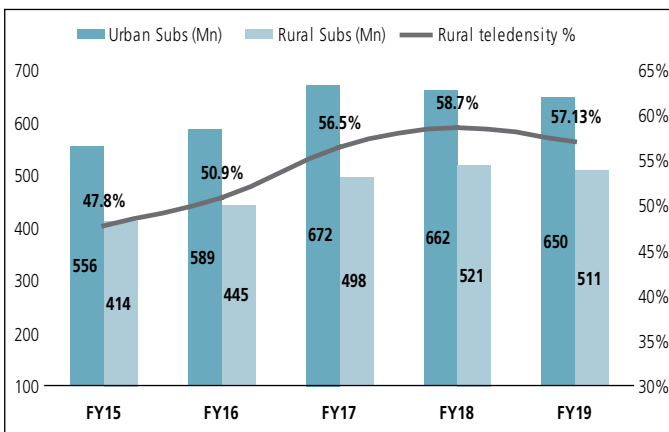
As the consolidation has progressed, the SIM consolidation has been underway for last few years. The launch of unlimited bundled plans further drove SIM consolidation as consumers who earlier used to split the usage on multiple SIMs are now trending towards committing their usage to a single SIM. Additionally, the introduction of 'service validity vouchers' in the second half of FY19, which requires customers to make a minimum recharge of ₹ 35 (28 days validity) to continue to use the network, forced the 'incoming-only' or 'minimal ARPU' customers on multiple networks to consolidate their spending from multiple to single SIM. While the introduction of service validity vouchers, as expected, led to decline in customers, ARPU and subsequently revenues have shown improvement.

Following chart depicts how industry has witnessed overall decline of 18.4 Mn subscribers between March 2017 and March 2018, on account of SIM consolidation where smaller operators saw a significant subscriber loss of 179 Mn while larger operators (Bharti, Vodafone, Idea and Jio) gained 160 Mn subscribers. During FY19, while VLR subscriber base increased by 23.7 Mn for the industry, the underlying trends have been different for different operators. Because of the consolidation, overall subscriber addition, except for one operator has been subdued. Further, both Bharti Airtel and Vodafone Idea have seen subscriber loss, specifically in the second half of the FY19 on account of the 'service validity vouchers'.



While the operational challenges continue to remain, the consolidation of telecom industry presents several opportunities for surviving operators as and when prices revive to normal levels in line with costs. India’s young population, rapid urbanization and growing middle class ensure a growing subscriber base in the target demography. As of December 18, 2018, 93.6% of India’s population is estimated to be aged under 65 years, with 27.0% aged under 15 years (Source: CIA World Factbook Website). India’s young and rapidly urbanizing population is expected to drive economic growth and increase consumption.

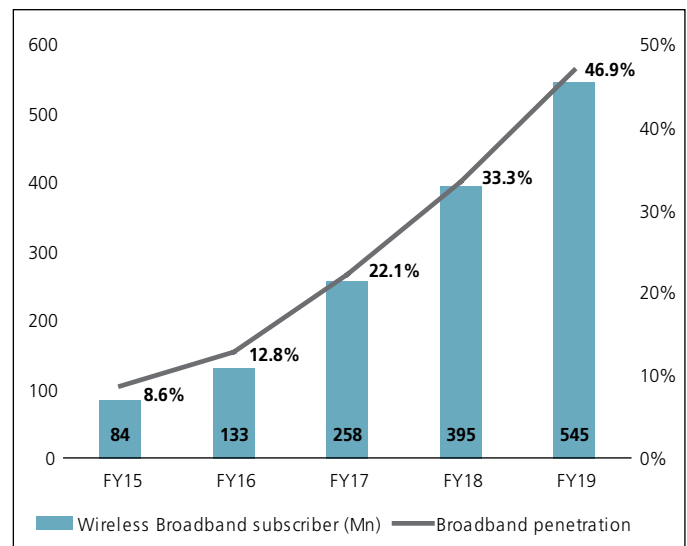
The overall tele-density for India as of March 31, 2019 stood at 88.46% suggesting there is still a proportion of population who are yet to be brought in the fold of mobility. This holds true especially for rural areas where tele-density is still low at 57.13%, despite a massive expansion from 414 Mn in FY15 to 511 Mn in FY19, an addition of 97 Mn customers. We estimate there are still nearly 300-400 Mn Indians in the rural hinterland, who are yet to adopt mobile telephony services which provides a long term opportunity to the mobile operators.



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

During FY19, industry broadband coverage continued to improve and the 4G services being offered by all the operators are extremely affordable. This coupled with increasing affordability of smartphones and rising income levels have led to massive spurt in broadband users. As a result, India had an impressive growth in wireless broadband subscriber (>512 kbps), up from 84 Mn in March 2015 to 545 Mn in March 2019, an addition of 461 Mn subscribers and almost 1/3<sup>rd</sup> of these have been added during last one year. Despite such strong broadband subscriber addition, there is significant headroom for wireless broadband penetration (as a percentage of overall subscriber base) to improve, as it still remains low at 46.9% as of March 2019 (Source: TRAI).

### Industry broadband subscriber and penetration trends



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 mobile broadband users base is thus expected to grow further driven by continuous expansion of data network (4G LTE) by operators, India’s growing young urban population, increasing affordability of smart phones, growth in social media usage and the proliferation of relevant content. The telecommunication operators are thus transitioning from being a pure telecom service provider to an integrated digital service provider with digital applications offering entertainment, information, cloud and storage services.

### Discussion on Vodafone Idea’s Operational Performance Mobile Business overview

Vodafone India has merged into your Company, Idea Cellular Limited (ICL) on August 31, 2018. Consequently,

the name of your Company has been changed from ICL to Vodafone Idea Limited. Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. Your Company now is a leading telecommunications operator in India offering voice, data, enterprise services and other value added services (“VAS”), including short messaging services and digital services. With its large spectrum portfolio to support the growing demand for data and voice, your Company is committed to deliver delightful customer experiences and contribute towards creating a truly ‘Digital India’ by enabling millions of citizens to connect and build a better tomorrow.

### 1. Voice Services:

Your Company offers voice services coverage in all 22 service areas on the Vodafone and Idea brands. The 2G coverage of your Company now spans across 470,000 towns and villages and provides coverage to more than a billion Indians with its voice services. The 2G coverage has increased to 90% of the population compared to 82% pre-merger. Your Company has also introduced 4G VoLTE across all 22 circles to provide enhanced voice experience to its 4G subscribers and for better capacity management.

### 2. Broadband Services:

Your Company provides broadband data services in all the 22 service areas of India across both the brands – Vodafone and Idea. Your Company’s broadband coverage is available in over 273,000 towns and villages, covering 69.1% of the Indian population. The 4G population coverage stands at 65% as of March 31, 2019, compared to less than 50% coverage for each of the brands pre-merger. On 4G, your Company as of March 2019 provides incremental coverage to 281 Mn Indians for the Vodafone brand and 187 Mn Indians for the Idea brand since the merger. Your Company continues to focus on aggressive expansion of broadband networks.

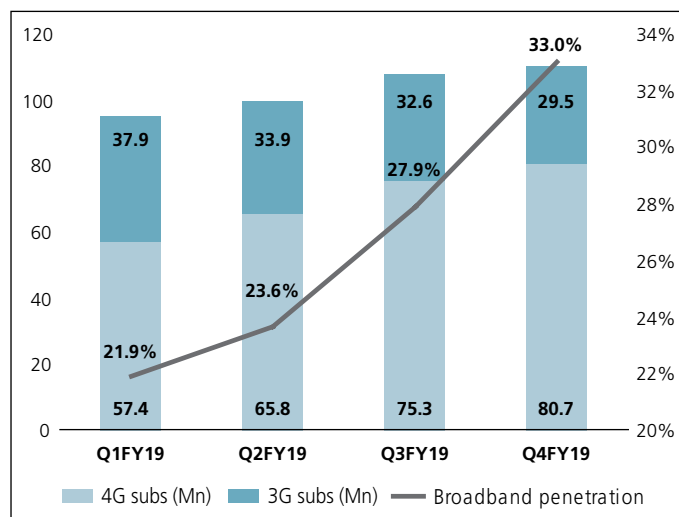
The following table reflects the traction in key data metrics since merger:

Description	Unit	Q1FY19	Q2FY19	Q3FY19	Q4FY19
Total Data Subscribers (2G+3G+4G)	Mn	141.7	140.1	146.3	146.3
Broadband Subscribers (3G+4G)	Mn	95.3	99.7	107.9	110.2

Description	Unit	Q1FY19	Q2FY19	Q3FY19	Q4FY19
4G Subscribers	Mn	57.4	65.8	75.3	80.7
Data Usage by Broadband Subscriber (3G+4G)	MB	7,141	8,142	8,546	8,815
Total Data Volume (2G+3G+4G)	Mn MB	2,028,393	2,426,213	2,705,157	2,947,472

With pan India broadband presence, increased coverage following merger coupled with incremental rollout, your Company has seen steady rise in broadband subscriber penetration increasing from 21.9% in Q1FY19 to 33.0% in Q4FY19. Your Company continues to focus on aggressive broadband network expansion during next financial year with target to reach 80% population coverage by FY20 end. This should further strengthen the broadband subscriber penetration in the coming years.

### Vodafone Idea’s Broadband Subscribers and Penetration



### 3. Content Services:

To provide ‘Best In Class’ content to its customers your Company has tied up with various content creators and aggregators like Eros, Sony, Zee, Sun, Shemaroo, Hoichoi, TV Today, Discovery and others. Both these apps provide a range of content including Movies, Live TV, TV shows, Originals and short videos. Additionally, your Company has tie ups with leading content providers like Amazon Prime and Netflix for its premium customers.

#### 4. Other VAS Offerings:

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

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

#### Long Distance Services and ISP

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

#### Enterprise services

Your Company offers telecommunications solutions to global enterprises, corporates, public sector & government bodies, small & medium enterprises and start-ups. Your Company has a dedicated team of account and service managers to address the enterprise mobility, fixed line, Internet of Things ("IoT"), cloud and converged communications requirements of enterprise customers. Your Company is the market leader in enterprise mobility services and continues to focus on new revenue streams like IoT and cloud services. Vodafone Group SuperIoT is an industry-first solution that enables end-to-end management of device, application, connectivity, service platform, support and security. In addition, Vodafone Group is a leader in providing new age services such as IoT and cloud solutions and your Company expects to benefit from leveraging the relationship with them in providing such services to customers in India. With the advantage of its global expertise and knowledge of local markets, Vodafone Idea Business Services endeavors to be a trusted and valued partner for businesses in a digital world.

#### Payments Bank

Aditya Birla Idea Payment Bank Limited (ABIPBL) on April 03, 2017, received banking license from RBI. Payments Banking

services were launched on February 22, 2018. However unanticipated developments in the business landscape of Payments Bank have made the economic model unviable, due to which the Board of ABIPBL has on July 19, 2019 approved voluntary winding up of ABIPBL.

#### Wallet Business

Pursuant to merger of Vodafone India Limited with your Company, Vodafone M-Pesa Limited (VMPL) having Prepaid Payment Instruments (PPI) business became subsidiary of your Company. As per the RBI guidelines, same promoter group cannot have Payments Banking business in one entity and Prepaid Payment Instruments (PPI) business in another entity. Based on various discussions, the Regulator had initially permitted these two entities to carry on the business until December 31, 2018 which was later extended to March 31, 2019. VMPL Board has subsequently approved surrender of PPI Authorisation and cease the wallet and Business Correspondent business.

#### Passive Infrastructure Services

##### Own Towers

Besides investment in Indus Towers, your Company mainly through its 100% subsidiary Idea Cellular Infrastructure Services Limited (ICISL), held 10,021 towers and 17,534 tenancies at a tenancy ratio of 1.75, as of March 31, 2018. On November 13, 2017, your Company and Vodafone India, separately agreed to sell their respective standalone tower business in India to ATC Telecom Infrastructure Ltd (American Tower) for an aggregate enterprise value of ₹ 78.5 Bn (₹ 40 Bn for Idea and ₹ 38.5 Bn for Vodafone). The ICISL transaction with American Towers was completed effective May 31, 2018.

##### Indus Towers

Indus Towers Ltd. (Indus), a joint venture between Bharti Infratel Ltd., Vodafone Group and Vodafone Idea Ltd, is one of the world's leading tower company with 123,546 towers and a tenancy ratio of 1.86 as of March 31, 2019. Vodafone Idea owns 11.15% stake in Indus. The proportionate profit/loss of Indus is presently consolidated at the PAT level in Vodafone Idea's financial statements.

#### Competitive strengths

##### 1. Competitive Spectrum Profile

Following merger of Vodafone India and Idea Cellular, your Company has the largest spectrum portfolio in

India comprising 1,849.6 MHz spectrum across 22 circles of which 1,714.8 MHz is liberalised and can be used towards deployment of any technology. Further, 1,316.8 MHz of spectrum acquired through auction between year 2014 and 2016, has validity until 2034

to 2036. This large spectrum portfolio across 22 circles will allow the Company to create enormous broadband capacity. Below table provides the spectrum held by your Company across all service areas:

Circle	Administrative Spectrum		Liberalised Spectrum					Total FDDx2+TDD
	900	1800	900	1800	2100	2300	2500	
Andhra Pradesh	-	6.2	5.0	6.6	5.0	-	10.0	55.6
Assam	-	-	-	25.0	5.0	-	20.0	80.0
Bihar	-	4.4	-	13.4	5.0	-	10.0	55.6
Delhi	-	8.0	10.0	10.6	5.0	-	20.0	87.2
Gujarat	-	-	11.0	20.8	10.0	-	30.0	113.6
Haryana	-	-	12.2	15.8	15.0	-	20.0	106.0
Himachal Pradesh	-	4.4	-	11.2	5.0	-	10.0	51.2
Jammu & Kashmir	-	-	-	17.0	5.0	-	10.0	54.0
Karnataka	-	8.0	5.0	11.0	5.0	-	-	58.0
Kerala	-	-	12.4	20.0	10.0	10.0	20.0	114.8
Kolkata	-	-	7.0	15.0	10.0	-	20.0	84.0
Madhya Pradesh	-	-	7.4	18.6	5.0	10.0	20.0	92.0
Maharashtra	-	-	14.0	12.4	15.0	10.0	30.0	122.8
Mumbai	-	4.4	11.0	10.2	10.0	-	20.0	91.2
North East	-	-	-	25.8	5.0	-	20.0	81.6
Orissa	-	-	5.0	17.0	5.0	-	20.0	74.0
Punjab	-	6.2	5.6	15.0	10.0	-	10.0	83.6
Rajasthan	-	6.2	6.4	10.0	15.0	-	20.0	95.2
Tamil Nadu	6.2	1.0	-	11.4	15.0	-	-	67.2
Uttar Pradesh (East)	-	6.2	5.6	8.6	20.0	-	20.0	100.8
Uttar Pradesh (West)	6.2	-	5.0	14.4	10.0	-	20.0	91.2
West Bengal	-	-	6.6	23.4	5.0	-	20.0	90.0
<b>Total</b>	<b>12.4</b>	<b>55.0</b>	<b>129.2</b>	<b>333.2</b>	<b>195.0</b>	<b>30.0</b>	<b>370.0</b>	<b>1,849.6</b>

## 2. Extensive Network Infrastructure and Coverage

Following merger of Vodafone and Idea, your Company has a strong network footprint across the country which enables us to offer comprehensive consumer offerings as well as have substantial capacity spectrum to address the growing data demand. Your Company has large network assets in the form of 2G, 3G, 4G equipment and country wide optical fibre cable (OFC). Your Company has over 192,000 2G sites across 470,000 towns and villages covering approximately a billion of population. Your Company has around 372,000 broadband (3G+4G) sites across 273,000 towns and villages. Your Company's broadband coverage stands at 69.1% with presence in 155,632 unique broadband locations as of March 31, 2019. The 4G population coverage stands at 65% as of March 31, 2019, compared to less than 50% coverage for each of the brands pre-merger. As of March 31, 2019, your Company on 4G provides incremental coverage to 281 Mn Indians for the Vodafone brand and 187 Mn Indians for the Idea brand since the merger. Your Company has a combined portfolio of ~345,000 km of OFC including own built and Indefeasible Right of Use (IRU) OFC. Your Company also has pan India Voice over LTE (VoLTE) services. Your Company has started deployment of latest technology of Dynamic Spectrum Re-farming (DSR), Massive MIMO and Small cells to maximize spectrum efficiency. Additionally, your Company has started deploying LTE on TDD band of 2300 MHz and 2500 MHz spectrum band to expand the capacity and on 900 MHz band on select sites to improve customer experience in dense areas.

Your Company is currently in the process of consolidating network equipment, spectrum and redeploying the overlapping broadband sites after the merger, which will result in coverage and capacity expansion. Your Company has successfully completed consolidation of network and radio access network of ten service areas of West Bengal (December 2018), Andhra Pradesh, Haryana, Madhya Pradesh, Himachal Pradesh, Assam, North East, J&K (January 2019), Bihar (February 2019) and Punjab (March 2019), along with part of the Delhi circle (East NCR). In addition to the spectrum consolidation in the 10 circles, your Company is also refarming GSM or 3G spectrum to deploy additional 4G carrier and has enhanced capabilities of some 900 MHz sites through dynamic spectrum-refarming.



The incremental capex coupled with redeployment of co-located broadband sites will allow your Company

to expand its broadband coverage and your Company targets to reach 80% 4G population coverage by March 2020. Your Company has also been deploying TDD spectrum and massive MIMO to augment its wireless data capacity in focus areas and intends to increase capacity to 2.5 times that of September 2018 by March 2020.

## 3. Large Subscriber Base

Your Company is the largest mobile telecommunications company in India in terms of subscribers. Your Company had over 334.1 Mn subscribers as of March 31, 2019, of which 110 Mn were broadband subscribers. As of the same date, your Company had 368 Mn VLR subscribers with VLR market share of 36.0%. As your Company is expanding its broadband coverage and capacity, this large subscriber base provides a great platform to upgrade voice only customers to users of data services and digital content.

## 4. Power Brand

Your Company has two strong brands,  and  both of which have generated customer affinity over the years. The brands, and are complementary in nature with the Idea brand primarily having a strong mass market presence, while the Vodafone brand has a strong presence in urban markets. Both brands have significantly expanded their reach over the years and we believe that the complementary nature of these brands gives us a strong platform to effectively compete across geographies and customer segments. We believe that the strength of our brands and our advertising campaigns have contributed significantly to our strong market position, subscriber growth and loyalty.

At present, your Company's communication strategy is aimed at strengthening brand stature by building 4G credentials. To promote 4G services to people from all walks of life, your Company has launched multiple advertising campaigns such as "Naya India Banayenge" for the Idea brand and "Speed Is Good" for the Vodafone brand. Your Company thus continues to focus on differentiating through brand equity, by creating strong assets for both brands – Vodafone and Idea.

## Strategy overview

Your Company has embarked on this challenging phase of integrating operations of erstwhile entities Vodafone India and Idea Cellular. Through meticulous planning, your Company has created a blueprint to improve revenue and

profitability as well as to strengthen its competitive position in the marketplace. The outcome of this exhaustive planning is the following well-defined five pillar strategy which forms the basis for all the ongoing strategic initiatives and your Company has made significant progress on all these initiatives.

### 1. Radically Accelerate integration

Your Company is in the process of integrating operations of Vodafone India and Idea to derive operational synergies and reduce expenditure and is working extensively towards creating a 'fit for future' organisation. Your Company is progressing well ahead of plan and intends to deliver opex synergies of ₹ 84 Bn by FY21, two years earlier than previously stated target at the time of merger announcement.

Your Company has successfully consolidated spectrum and radio access network in 10 service areas of West Bengal, Andhra Pradesh, Haryana, Madhya Pradesh, Himachal Pradesh, Assam, Northeast, J&K, Bihar and Punjab, in just seven months post merger. In addition, your Company is offering unified 4G experience in Bangalore city and in the entire Orissa circle. In the remaining circles, network integration is taking place on a cluster by cluster basis and subscribers of both the brands are gradually moving to a much larger and better network.

On operational integration, your Company has completed consolidation of zonal and circle offices across all 22 circles and has also completed the targeted integration of distribution network, retailers, service stores and service centers. Your Company is thus integrating at a great pace and has already achieved 60% of the targeted opex synergies within first seven months of merger completion.

### 2. Prioritizing investments in profitable districts

Your Company has segregated districts in India based on their growth potential and revenue and EBITDA contribution, instead of following a conventional approach of focusing on Service Areas. On the basis of such analysis, your Company has identified certain high potential districts which account for a large portion of company's revenues and EBITDA. Your Company is in the process of building large 4G coverage and capacity in such districts with target of 95% population coverage and 3 times the capacity (80% 4G coverage and 2.5 times capacity on an overall national basis) by March 2020 compared to the date of merger. With

the focused approach in these districts, your Company will optimise capital expenditure and offer a superior customer experience.

In non-profitable districts, your Company is in the process of shutting down the weaker of the two networks, which will enable us to incur operating expenses for one network while generating revenue from customers of both brands. This will help in further reducing operating expenses while ensuring that both brands get the experience of the stronger network.

### 3. Drive ARPU via simplification, rationalization and upselling

With intense competition, industry ARPUs have been under significant pressure over the last few years. Your Company intends to simplify its customer offerings and has already made significant progress in that direction. Your Company has introduced low value 'service validity vouchers' with minimum recharge of ₹ 35 (28 days validity) primarily targeting customers who used to have only incoming minutes on the network or who had an ARPU below a certain threshold. This led to a subscriber consolidation as expected but led to ARPU uplift and subsequent improvement in revenues.

### 4. Focus on fast growing revenue streams and partnerships to drive value

Your Company has a market leading position in enterprise services and intends to focus on fast growing streams such as Internet of Things (IoT), cloud services and converged communications. The investments in IoT platforms, future ready products and services and market partnerships coupled with Vodafone Group's global IoT leadership will help your Company in capitalizing on a rapidly growing IoT market in India. Your Company is the first operator in the world to have executed voice & data calls on public cloud. My Vodafone App became the first application to be co-hosted with VNFs (converged One-Cloud across Network and IT).

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



with key smartphone manufacturers to provide special offers to customers purchasing a new phone. Your Company has also used its retail footprint to enter into an arrangement with Amazon to help customers buy smartphones. Your Company has arrangements with certain non-banking financial companies and credit evaluation companies to help generate scores for credit worthiness for the non-banked population.

## 5. Strengthening Balance Sheet

Your Company continues to focus on strengthening its balance sheet with various capital raising initiatives. Your Company recently concluded the rights issue of ₹ 250 Bn, the largest ever in India. The issue witnessed strong participation and oversubscribed by nearly 1.2 times by non-promoter shareholders, a clear demonstration of investor support to the company's strategy.

The merger of Bharti Infratel and Indus Towers has received approval from the Competition Commission and SEBI. NCLT, Chandigarh Bench, vide its order dated May 31, 2019, has sanctioned the scheme of amalgamation and arrangement. Post receipt of approval from DoT under foreign investment regulations and fulfilment of other conditions precedent, the merger is expected to close in FY20. Your Company has the option to monetize its 11.15% stake in Indus, which has an implied value of Rs. 53.6 Bn as of June 30, 2019 subject to closing adjustments or alternatively, receive new shares in the combined company based on the Merger ratio (1,565 shares of Bharti Infratel for every 1 Indus towers share) subject to closing adjustments."

## SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

The key financial ratios are as under:

Particulars	2018-19	2017-18
Current Ratio*	0.75	0.97
Debt Equity Ratio	1.98	1.89
Debt Service Coverage Ratio	0.83	1.45
Interest Service Coverage Ratio	1.01	1.67
Operating Profit Margin (%)	11%	20%
Net Profit Margin (%)	(38%)	(16%)
Return on Net Worth (%)	(22%)	(15%)

\*Excluding borrowings and interest accrued.

The aforesaid ratios are not comparable, as during the year Vodafone Mobile Services Limited and Vodafone India Limited have been amalgamated with the Company with effect from August 31, 2018.

## STANDALONE FINANCIAL RESULTS

The results for the current financial year include the results of the erstwhile Vodafone Mobile Services Limited (VMSL) and Vodafone India Limited (VInL) which merged into the Company effective August 31, 2018 for the period subsequent to that date till the end of the financial year. (Refer Note 43 (i) to the Standalone Financial Statement for further details) Accordingly, the figures for the current financial year ended March 31, 2019 are not comparable with the figures of the previous year ending March 31, 2018.

### Revenues

Revenue from operations for the financial year ended March 31, 2019 increased by ₹ 90,302 Mn and stood at ₹ 368,588 Mn for the financial year ended March 31, 2019 as compared to ₹ 278,286 Mn for the financial year ended March 31, 2018, primarily due to an increase in our subscriber base on account of Merger of VMSL and VInL with the Company.

Other Income comprising of interest income, dividend income and gain on investments in mutual funds stood at ₹ 10,733 Mn for the year ended March 31, 2019 as compared to ₹ 6,065 Mn for the year ended March 31, 2018. The increase is mainly on account of increase in gain on mutual funds (including fair value gain) amounting to ₹ 5,668 Mn. This was partially offset by a decrease in interest income to ₹ 734 Mn for the year ended March 31, 2019 from ₹ 2,067 Mn for the year ended March 31, 2018 as there was significant interest income related to income tax refund in the previous year.

### Operating Expenses

Total operating expenditure for the financial year ended March 31, 2019 increased to ₹ 329,799 Mn from ₹ 221,843 Mn incurred for the year ended March 31, 2018.

**Employee Benefit Expenses:** Employee benefit expenses increased from ₹ 13,968 Mn for the year ended March 31, 2018 to ₹ 21,209 Mn for the year ended March 31, 2019, primarily as a result of an increase in our employee base on account of merger.

**Network Expense and IT Outsourcing Cost:** Network Expense and IT Outsourcing Cost increased from ₹ 97,449 Mn for the year ended March 31, 2018 to ₹ 169,269 Mn for the year ended March 31, 2019 primarily due to the merged network size, resulting in an increase in power and fuel expenses to ₹ 56,686 Mn and in passive infrastructure charges to ₹ 74,571 Mn for the year ended March 31, 2019 from ₹ 29,226 Mn and ₹ 49,608 Mn respectively for the year ended March 31, 2018.

The GSM coverage post merger covers nearly 1 billion Indians spanning 470,000 towns and villages. Vodafone Idea continues to focus on increasing network coverage and capacity through redeployment of co-located sites along with additional investments. Vodafone Idea broadband services spans 273,000 towns and villages covering over 69% of population.

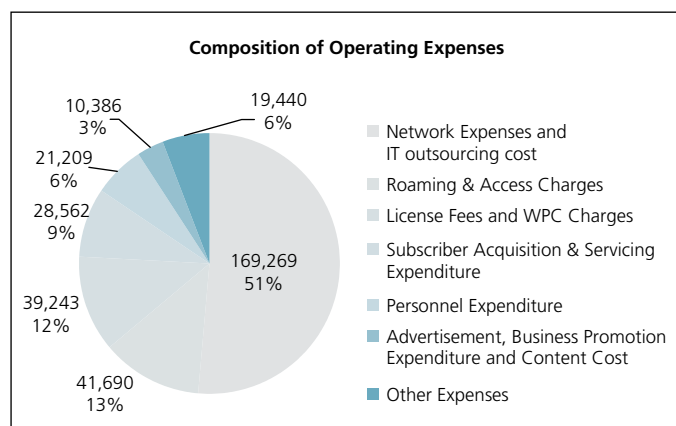
**Licence Fees and Spectrum Usage Charges:** Licence Fees and Spectrum Usage charges increased from ₹ 28,667 Mn for the year ended March 31, 2018 to ₹ 39,243 Mn for the year ended March 31, 2019, primarily as a result of increase in our adjusted gross revenue.

**Roaming and Access Charges:** Roaming and Access Charges increased from ₹ 35,358 Mn for the year ended March 31, 2018 to ₹ 41,690 Mn for the year ended March 31, 2019.

**Subscriber Acquisition and Servicing Expenditure:** Subscriber Acquisition and Servicing Expenditure, decreased from ₹ 29,151 Mn for the year ended March 31, 2018 to ₹ 28,562 Mn for the year ended March 31, 2019, primarily as a result of decrease in customer verification charges, customer retention and customer loyalty expenses.

**Advertisement, Business Promotion Expenditure and content cost:** Advertisement, Business Promotion Expenditure and content cost increased from ₹ 8,147 Mn for the year ended March 31, 2018 to ₹ 10,386 Mn for the year ended March 31, 2019, primarily as a result of increase in content cost.

**Other Expenses:** Other expenses increased from ₹ 9,103 Mn for the year ended March 31, 2018 to ₹ 19,440 Mn for the year ended March 31, 2019 primarily on account of merger. The composition of total operating expenses (amount and %age to total operating expenses) is as follows:



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

The increase in service revenues being lower than increase in operating expenditure has resulted in EBITDA decline from ₹ 62,508 Mn for the year ended March 31, 2018 to ₹ 49,522 Mn for the year ended March 31, 2019. EBITDA as a %age of Total Income decreased to 13.1% in the current year as compared to 22% in the previous year.

### Depreciation, Amortisation and Finance Charges

Depreciation and Amortisation expenses increased from ₹ 83,148 Mn for the year ended March 31, 2018 to ₹ 144,098 Mn for the year ended March 31, 2019. The depreciation charge for the year has increased from ₹ 49,688 Mn for the year ended March 31, 2018 to ₹ 77,074 Mn for the year ended March 31, 2019, primarily as a result of increase in our asset base on account of Merger and gross block additions during the year. The amortisation charge for the year has increased from ₹ 33,460 Mn for the year ended March 31, 2018 to ₹ 67,024 Mn for the year ended March 31, 2019 primarily as a result of an increase in our intangible assets on account of Merger and capitalisation of 2500 MHz Spectrum in few circles amounting to ₹ 93,700 Mn.

Finance Charges for the current year increased from ₹ 48,968 Mn for the year ended March 31, 2018 to ₹ 94,713 Mn for the year ended March 31, 2019, primarily due to an increase in interest expenses on fixed period loans as well as on deferred payment liability towards spectrum due to increase in loan base on account of Merger.

### Exceptional Item

For the year ended March 31, 2019, we had net gain towards exceptional items amounting to ₹ 12,367 Mn. These mainly comprised income from the sale of Idea Cellular Infrastructure Services Limited of ₹ 37,644 Mn and income on account of re-assessment of certain estimates and accrual of ₹ 7,646 Mn as incomes and integration and merger related costs (including site exit and related costs) of ₹ 26,607 Mn, and charge on impairment of asset on account of network re-alignment/ integration of ₹ 5,589 Mn as costs.

### Profits and Taxes

The loss before tax for the year ended March 31, 2019 stood at ₹ 176,922 Mn as compared to a loss of ₹ 69,608 Mn for the year ended March 31, 2018. The loss after tax for the year ended March 31, 2019 stood at ₹ 140,560 Mn. Cash Loss for the year ended March 31, 2019 stood at ₹ 32,836 Mn against cash profit of ₹ 9,970 Mn for the year ended March 31, 2018.

## Capital Expenditure

The Company incurred capital expenditure of ₹ 114,550 Mn consisting mostly of network equipment (including capital advances) and capitalisation of one time spectrum charges.

## Balance Sheet

The Gross Block and Net Block (including Capital Work in Progress and Intangible assets under development) stood at ₹ 2,470,479 Mn and ₹ 1,817,382 Mn respectively as at March 31, 2019. Investment in subsidiaries, associates and joint ventures (net of impairment) stood at ₹ 66,624 Mn which includes investment of Indus carried at FVTOCI on account of Merger of ABTL with the Company. Other financial assets increased by ₹ 49,066 Mn from ₹ 69,764 Mn to ₹ 118,830 Mn primarily due to increase in Investment in Units of Liquid Mutual Funds and increase in Trade Receivables. Other assets increased by ₹ 176,354 Mn from ₹ 48,604 Mn to ₹ 224,959 Mn primarily due to increase in deposit against demands and advance tax (including TDS). Deferred Tax asset as at March 31, 2019 stood at ₹ 89,351 Mn as compared to a Deferred Tax liability of ₹ 3,079 Mn as on March 31, 2018.

The paid-up equity share capital of the Company increased by ₹ 43,763 Mn, pursuant to issuance of 4,375,199,464 equity shares on amalgamation of VMSL and VInL with the Company and 1,037,935 equity shares under Employee Stock Option Scheme (ESOS) under Employee Stock Option Scheme, 2006 and Employee Stock Option Scheme, 2013. Other equity of the Company increased from ₹ 262,415 Mn to ₹ 547,689 Mn mainly due to increase in reserves pursuant to amalgamation of VMSL and VInL with the Company which is partially offset by current year's losses and indemnity liability created in accordance with the implementation agreement entered between the parties to define a settlement mechanism between the Company and erstwhile VInL shareholders for any cash inflow/ outflow that could possibly arise from the settlement of certain outstanding disputes pertaining to period until May 31, 2019. As on March 31, 2019, the total equity stood at ₹ 635,045 Mn.

Total borrowings increased by ₹ 679,548 Mn and stood at ₹ 1,259,399 Mn as on March 31, 2019. Other financial liabilities increased by ₹ 264,124 Mn and stood at ₹ 359,268 Mn primarily due to increase in payables for capital expenditure from ₹ 29,523 Mn for the year ended March 31, 2018 to ₹ 70,433 Mn for the year ended March 31, 2019, increase in trade payable from ₹ 35,489 Mn for the year ended March 31, 2018 to ₹ 135,421 Mn for the year ended March 31, 2019, indemnity liability created amounting to ₹ 83,923 Mn for the year ended March 31, 2019 and increase in interest accrued but not due on borrowings from ₹ 1,769 Mn for the year ended March 31, 2018 to ₹ 64,146 Mn for

the year ended March 31, 2019 which was partially off-set by decrease in interest accrued but not due on deferred payment liability from ₹ 26,039 Mn for the year ended March 31, 2018 to ₹ 4 Mn for the year ended March 31, 2019. Other Liabilities and Provisions increased by ₹ 41,395 Mn from ₹ 35,424 Mn to ₹ 76,819 Mn as on March 31, 2019 mainly due to increase in taxes, regulatory and statutory liabilities and increase in advance from customers.

## Cash Flow Statement

The cash generated from operating activities of ₹ 52,079 Mn along-with net proceeds from borrowings ₹ 21,749 Mn, proceeds from sale of subsidiary of ₹ 42,303 Mn and interest and dividend of ₹ 4,282 Mn was primarily used for capital expenditure pay-out of ₹ 76,369 Mn, payment towards one time spectrum charges ₹ 39,263 Mn, payment of interest and finance charges ₹ 49,996 Mn and short term investment in Mutual Funds ₹ 3,752 Mn. Further the Company received cash and cash equivalent on amalgamation of VMSL and VInL with the Company (net of bank overdraft) of ₹ 55,249 Mn. Consequently cash and cash equivalents for the year end stood at ₹ 5,889 Mn.

## CONSOLIDATED FINANCIAL RESULTS

The results for the current financial year include the results of the erstwhile Vodafone Mobile Services Limited (VMSL) and Vodafone India Limited (VInL) which merged into the Company effective August 31, 2018 for the period subsequent to that date till the end of the financial year. (Refer Note 43 (i) to the Standalone Financial Statement for further details) Accordingly, the figures for the current financial year ended March 31, 2019 are not comparable with the figures of the previous year ending March 31, 2018.

## Revenues

Revenue from operations for the financial year ended March 31, 2019 increased by ₹ 88,136 Mn and stood at ₹ 370,925 Mn for financial year ended March 31, 2019 as compared to ₹ 282,789 Mn for financial year ended March 31, 2018, primarily due to an increase in our subscriber base on account of Merger of VMSL and VInL with the company.

Other Income comprising of Interest Income and Gain on investments in mutual funds stood at ₹ 7,311 Mn for financial year ended March 31, 2019 as compared to ₹ 3,530 Mn for financial year ended March 31, 2018. The increase is mainly on account of increase in gain in Mutual Funds amounting to ₹ 5,601 Mn. This was partially offset by a decrease in interest income to ₹ 218 Mn for the year ended March 31, 2019 from ₹ 2,078 Mn for the year ended March 31, 2018 as there was significant interest income related to income tax refund in the previous year.

## Operating Expenses

Total operating expenditure for the financial year ended March 31, 2019 increased to ₹ 330,495 Mn for financial year ended March 31, 2019 from ₹ 222,314 Mn incurred for financial year ended March 31, 2018.

**Cost of Trading Goods:** Cost of Trading Goods increased to ₹ 260 Mn for financial year ended March 31, 2019 from ₹ 73 Mn incurred for financial year ended March 31, 2018 primarily due to an increase in number of data card/ handset sold as a result of merger.

**Employee Benefit Expenses:** Employee benefit expenses for the financial year ended March 31, 2019 increased to ₹ 22,944 Mn from ₹ 15,430 Mn incurred for financial year ended March 31, 2018, primarily as a result of an increase in our employee base on account of merger.

**Network Expense and IT Outsourcing Cost:** Network Expense and IT Outsourcing Cost increased from ₹ 97,334 Mn for financial year ended March 31, 2018 to ₹ 170,052 Mn for financial year ended March 31, 2019, primarily as a result of an increase in power and fuel expenses to ₹ 56,943 Mn for financial year ended March 31, 2019 from ₹ 30,597 Mn for financial year ended March 31, 2018 and an increase in passive infrastructure charges to ₹ 73,865 Mn from ₹ 45,484 Mn, primarily due to the expansion of our network, including that on account of Merger.

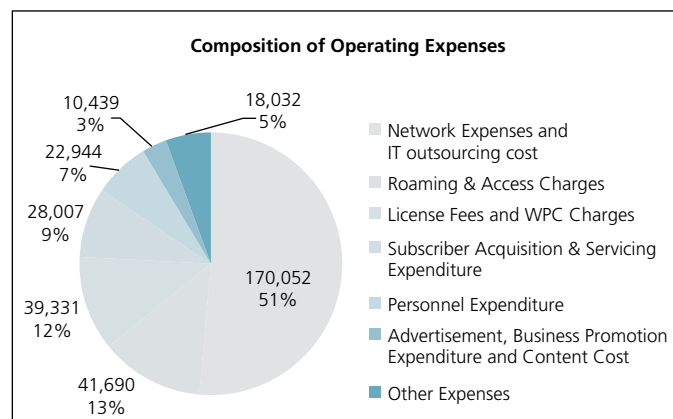
**Licence Fees and Spectrum Usage Charges & Roaming and Access Charges:** The increase in these expenses are specified under the Standalone Financial Results section.

**Subscriber Acquisition and Servicing Expenditure:** Subscriber Acquisition and Servicing Expenditure, increased marginally from ₹ 27,942 Mn for financial year ended March 31, 2018 to ₹ 28,007 Mn for financial year ended March 31, 2019.

**Advertisement, Business Promotion Expenditure and content cost:** Advertisement, Business Promotion Expenditure and content cost increased from ₹ 8,148 Mn for financial year ended March 31, 2018 to ₹ 10,439 Mn for financial year ended March 31, 2019, primarily as a result of an increase in content cost.

**Other Expenses:** Other expenses increased from ₹ 9,362 Mn for financial year ended March 31, 2018 to ₹ 17,772 Mn for financial year ended March 31, 2019, primarily on account of merger.

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



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

The increase in revenues being lower than increase in operating expenditure has resulted in the decrease of EBITDA from ₹ 64,005 Mn for financial year ended March 31, 2018 to ₹ 47,741 Mn for financial year ended March 31, 2019. EBITDA as a percentage of total Income decreased to 12.6% compared to 22.4% for financial year ended March 31, 2018.

## Depreciation, Amortisation and Finance Charges

Depreciation and Amortisation expenses increased from ₹ 84,091 Mn for financial year ended March 31, 2018 to ₹ 145,356 Mn for financial year ended March 31, 2019. The depreciation charge for the year has increased from ₹ 50,630 Mn for financial year ended March 31, 2018 to ₹ 77,984 Mn for financial year ended March 31, 2019, primarily as a result of increase in our asset base on account of Merger and gross block additions during the year. The amortisation charge for the year has increased from ₹ 33,461 Mn for financial year ended March 31, 2018 to ₹ 67,372 Mn for financial year ended March 31, 2019, primarily as a result of increase in our intangible assets on account of Merger and capitalisation of 2500 MHz Spectrum in few circles amounting to ₹ 93,700 Mn.

Finance Charges for financial year ended March 31, 2019 increased from ₹ 48,130 Mn to ₹ 94,628 Mn, primarily due to an increase in interest expenses on fixed period loans as well as on deferred payment liability towards spectrum due to increase in loan base on account of Merger.

## Exceptional Item

For the year ended March 31, 2019, we had net gain towards exceptional items amounting ₹ 8,521 Mn. These mainly comprised income from the sale of Idea Cellular Infrastructure

Services Limited of ₹ 33,473 Mn and income on account of re-assessment of certain estimates and accrual of ₹ 7,893 Mn as incomes and integration and merger related costs (including site exit and related costs) of ₹ 26,607 Mn, and charge on impairment of asset on account of network re-alignment/ integration of ₹ 5,511 Mn as costs.

### Profits and Taxes

The loss before tax for the year stood at ₹ 181,754 Mn as compared to a loss of ₹ 64,992 Mn for financial year ended March 31, 2018. The loss after tax for financial year ended March 31, 2019 stood at ₹ 146,039 Mn. Cash loss for the year ended March 31, 2019 stood at ₹ 36,592 Mn against cash profit of ₹ 17,636 Mn for financial year ended March 31, 2018.

### Capital Expenditure

The capital expenditure (including capital advances) during the year was ₹ 115,033 Mn consisting mainly of network equipment and capitalisation of one time spectrum charges.

### Balance Sheet

The Gross Block and Net Block (including Capital Work in Progress and Intangible assets under development) stood at ₹ 2,486,722 Mn and ₹ 1,828,323 Mn respectively as at March 31, 2019. Investment in joint venture and associate stood at ₹ 15,298 Mn which includes investment of Indus carried at FVTOCI on account of Merger of ABTL with the Company. Other financial assets increased by ₹ 51,058 Mn from ₹ 70,007 Mn to ₹ 121,065 Mn, primarily due to increase in Investment in Units of Liquid Mutual Funds and increase in Trade Receivables. Other Assets increased by ₹ 173,877 Mn from ₹ 54,399 Mn to ₹ 228,216 Mn primarily due to increase in Advance tax (including TDS).

The paid-up equity share capital of the Company increased by ₹ 43,763 Mn, pursuant to issuance of 4,375,199,464 equity shares on amalgamation of VMSL and VInL with the Company and 1,037,935 equity shares under Employee Stock Option Scheme (ESOS) under Employee Stock Option Scheme, 2006 and Employee Stock Option Scheme, 2013. Other equity of the Company increased from ₹ 229,032 Mn to ₹ 508,992 Mn mainly due to increase in reserves pursuant to amalgamation of VMSL and VInL with the Company which is partially offset by current year's losses and indemnity liability created in accordance with the implementation agreement entered between the parties to define a settlement mechanism between the company and erstwhile VInL shareholders for any cash inflow/ outflow that could possibly arise from the settlement of certain outstanding disputes pertaining to the period until May 31, 2019. As on March 31, 2019, the total equity stood at ₹ 596,348 Mn.

Total borrowings increased by ₹ 679,548 Mn and stood at ₹ 1,259,399 Mn as on March 31, 2019. Other financial liabilities increased by ₹ 267,196 Mn and stood at ₹ 362,330 Mn for financial year ended March 31, 2019 primarily due to increase in payables for capital expenditure from ₹ 29,523 Mn for financial year ended March 31, 2018 to ₹ 73,186 Mn for financial year ended March 31, 2019, increase in trade payables from ₹ 35,479 Mn for financial year ended March 31, 2018 to ₹ 135,166 Mn for financial year ended March 31, 2019, increase in interest accrued but not due on borrowings from ₹ 1,769 Mn for financial year ended March 31, 2018 to ₹ 64,139 Mn for financial year ended March 31, 2019 and indemnity liability created in the current year of ₹ 83,923 Mn which is partially off-set by decrease in interest accrued but not due on deferred payment liability from ₹ 26,039 Mn for financial year ended March 31, 2018 to ₹ 4 Mn for financial year ended March 31, 2019. Other Liabilities and Provisions increased by ₹ 42,051 Mn from ₹ 35,529 Mn to ₹ 77,580 Mn as on March 31, 2019 mainly due to increase in taxes, regulatory and statutory liabilities and increase in advance from customers. Deferred Tax Liabilities as at March 31, 2019 stood at ₹ 471 Mn as compared to ₹ 659 Mn as at March 31, 2018.

### Cash Flow Statement

The cash generated from operations of ₹ 52,681 Mn along-with net proceeds from borrowings of ₹ 21,299 Mn, proceeds from sale of subsidiary of ₹ 42,303 Mn and interest and dividend of ₹ 3,334 Mn was primarily used for capital expenditure pay-out of ₹ 76,519 Mn, payment towards one time spectrum charges ₹ 39,263 Mn, payment of interest and finance charges ₹ 49,914 Mn and short term investment in mutual funds ₹ 3,731 Mn. Further the Company received Cash and cash equivalent of VInL and its subsidiaries on amalgamation of VMSL and VInL with the Company (net of bank overdraft) of ₹ 58,307 Mn. Consequently cash and cash equivalents stood increased at the year end of ₹ 7,558 Mn excluding ₹ 921 Mn of VMPL classified as asset held for sale.

### Human Resource Management

Vodafone Idea Limited, is an Aditya Birla Group and Vodafone Group partnership, making it India's largest telecom company and second largest globally at the time of merger. It is the coming together of two large established pan India telecom service providers.

Its 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.

### People Integration

Consequent to the merger, it was imperative to reorganize and rationalize the combined organization so as to derive synergies and also set up the new Company as a future fit great place to work.

As part of the transformation journey, the mammoth task of people integration has been completed in a fair and seamless manner with meritocracy, transparency and equitability being the guiding principles.

Your Company undertook the process of “Know your talent” (KYT) which had 100% coverage. The technology was leveraged to make the process scalable, speedy while ensuring minimum disruption to business. The final decision on people involved inputs from multiple sources so as to ensure fair conclusions.

### Inclusion

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

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

### Health and Safety

Providing a safe workplace is a key promise to not only our own employees but to all our partners, vendors and associates who work on our behalf in different functions and activities. We have framed our Absolute Safety Rules and standards for all high risk activities in our business. We have rigorous awareness creation training protocols and mechanisms, audit architecture to assess effectiveness of implementation of our programs and standards, and consequence management

norms to deal with violation of standards. We are deeply committed to walking the talk on our promise that we shall not do business by putting anybody at risk.

### Talent Management

At Vodafone Idea we want to create Talent as a competitive differentiator. To be able to do so we must have the capability to accurately identify top talent or high potential employees who can be groomed for future roles. Through the talent management program we are building,

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

To simplify and standardize our expectation of what is required for the future, we have developed a core competency framework to guide us. The framework articulates the expected behaviors considering the business evolution and context. The competencies detail the future fit behaviors at different career stages. These behaviors are critical for success in this market, now and for tomorrow. High Potential employees display all or most of the behaviors at a significantly higher degree compared to peer group for their career stage.

### Learning & Development

Given the business context and expected behaviors, the change management training was initiated which covered leadership teams across all circles. Living the value of digital, VIL mobile learning app was launched in the month of March 2019. All employees have completed the code of conduct module on the VIL mobile learning app by April 2019.

There are distinct segments for learning and development initiatives:

- Leadership Development Programs for Circle Business Heads and Corporate HODs
- Leadership development Programs for CLT
- Talent development
- Young leaders' development Plan
- Women Capability Development

To ensure that we build on the VIL competencies for all employees, our L&D propositions are designed to cater to each career stage.

### 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. License status and change of name of Company on DoT records

The Department of Telecommunications vide its letter(s) dated September 17, 2018 and September 26, 2018, approved the merger of licenses of erstwhile Vodafone Mobile Services Limited and erstwhile Vodafone India Limited and Idea Cellular Limited effective August 31, 2018. Accordingly, in view of earlier DoT letter dated July 26, 2018, the licenses earlier held by erstwhile Vodafone Mobile Services Limited and erstwhile Vodafone India Limited have ceased to exist and all the assets and liabilities associated with these licenses stand transferred to the respective licenses/authorizations under Unified License held by Vodafone Idea Limited (erstwhile Idea Cellular Limited) effective August 31, 2018. Further, vide its Letter dated September 10, 2018, the DoT subsequently took the change in name of "Idea Cellular Limited" to "Vodafone Idea Limited" on record. Vodafone Idea now operates and provides services through access authorization under Unified License and also has separate licenses for NLD, ILD and ISP services.

### 2. Amendment on Internet Telephony:

Vide amendment dated June 19, 2018, DoT has amended the CMTS/UAS/Unified License on Internet telephony. DoT has also clarified that the said service is un-tethered from the underlying access network and hence Internet Telephony Services can be provided by an access service provider to the customers using internet services of the other service providers. Hence, Internet Telephony can be offered only under an Access Service license.

The salient features of the amendment are as follows:

- Calls originated outside the country using internet telephony shall be routed through ILD gateway like any other international calls.

- Mobile number series to be used for providing internet telephony. TSPs are allowed to allocate the same number to the subscriber both for CMTS and Internet telephony services.
- The licensee providing internet telephony is required to comply with all the interception and monitoring related requirements.
- Licensee must inform QoS parameters supported by them for internet telephony to their subscribers.

### 3. Signing of Unified License for 6 LSAs

The Company on May 28, 2018 signed the Authorization for Access services under its existing Unified License no. 20-363/2012 AS-I VOL.II dated October 11, 2013 for the access service in remaining 6 LSAs where it did not already have a Unified License Authorization for Access services i.e. Delhi, Bihar, Himachal Pradesh, Mumbai, Rajasthan and UP-East service areas.

With the above, your Company achieved single Unified License for all the 22 LSAs. The Authorization of Access services under the Unified License would enable the Company to provide both wireless and wireline (including PRI) services in these 6 service areas. The right to use of administratively assigned access spectrum in the above service areas shall continue to be governed by the terms and conditions of the erstwhile CMTS/UAS License agreement.

### 4. Amendment in Unified Licences for Regulatory Framework on "Net Neutrality"

DoT vide its letter dated September 26, 2018 issued an Amendment in Unified Licences for Regulatory Framework on "Net Neutrality". DoT vide this amendment has appended certain clauses in the UL Agreement concerning

- Principles of non-discriminatory treatment;
- Definition of specialized services; and
- Reasonable traffic management and other exceptions.

Key Highlights are as follows:

- (i) Licensee providing Internet Access Service shall not engage in any discriminatory treatment of content, including based on the sender or receiver, the protocols being used or the user equipment.
- (ii) The Licensee is prohibited from entering into any arrangement, agreement or contact, by whatever name called, with any person, natural or legal, that has the effect of discriminatory treatment of content.

(iii) Internet Access Service is a service to access the Internet that is:

- Generally available to the public.
- Designed to transmit data to and receive data from all or substantially all endpoints on the Internet.

#### 5. DoT Norms for Network testing before launch of Commercial Services

DoT vide its letter no. 20-577/2016-AS-I dated October 9, 2018 issued Norms for Network testing before launch of Commercial Services. Key highlights are as follows:

- The number of test subscribers that can be enrolled by a Licensee in an LSA shall be limited to 5% of its installed network capacity for that LSA.
- If a Licensee wants to enroll test subscribers in its network before the commercial launch, Licensee should give prior intimation to DoT and TRAI at least 15 days before commencing enrolment of test subscribers.
- All licensing provisions related to the security and privacy must be complied with by the licensee.
- There shall be a limit of 90 days on the test phase involving test subscribers.
- During test phase, the licensee shall be bound to submit test subscriber related statistics and their usage, and other information as per prevailing instructions of DoT/ TRAI. The MNP facility shall not be extended to network under testing.

#### 6. Amendment in UL provision on Interest rate on delayed payment

DoT vide its letter dated October 24, 2018 issued an Amendment in Financial Condition of Unified License on applicable interest rate in respect of delayed payments of LF/SUC or any other dues, as mentioned below:

- Any delay in payment of License fee or any other dues payable under the license, beyond the stipulated period will attract interest at a rate which will be 4% above the one year Marginal Cost of Lending Rate (MCLR) of State Bank of India existing as on the beginning of the Financial Year (Namely 1st April).
- This came into effect from April 1, 2016.

#### 7. DoT Procedure for testing of Rollout Obligation in case of Merger and Acquisition Cases:

DoT vide its office memorandum dated December 13, 2018 issued the procedure to be adopted for merger and acquisition cases by the merged entity for testing and seeking compliance in respect of its Rollout Obligations. The said procedure/ clarifications have been issued for the first time for merger and acquisition cases.

#### 8. DoT Flight and Maritime Connectivity Rules, 2018

The DoT has issued a notification dated December 14, 2018 called "Flight and Maritime Connectivity Rules, 2018" along with the relevant application form in "The Gazette of India" for grant and regulation of authorization for in Flight and Maritime Connectivity (IFMC). The key highlights are as under:

- (i) The IFMC service provider, shall provide wireless voice or data or both type of telegraph messages on ships within Indian territorial waters and on aircraft within or above India or Indian territorial waters.
- (ii) Licensee shall be eligible to apply for authorization to provide IFMC service if it –
  - Holds a license for access service or an ISP category A license; and
  - Holds an NLD license or a commercial VSAT CUG service license, and has satellite gateway earth station within the service area of the above license, in case connectivity through satellite is used.
- (iii) The following companies shall also be eligible to apply for authorization to provide IFMC service by entering into commercial agreements with relevant licensees:-
  - any Indian airlines company or foreign airlines company having permission to enter Indian airspace by the DGCA
  - any Indian shipping company or foreign shipping company whose vessels or ships call Indian ports or transit Indian territorial waters; and
  - Any company incorporated under the Companies Act, 2013 or under any previous company law.



- (iv) For providing data service, the above companies shall enter into a commercial agreement with at least one licensee of
  - Access service or ISP category A
  - Commercial VSAT CUG service or NLD service, having satellite gateway earth station within the service area of partnering licensee, in case connectivity through satellite is used.
- (v) For providing voice and data service, the above companies shall enter into a commercial agreement with at least one licensee of –
  - access service; and
  - commercial VSAT CUG service or NLD service, having satellite gateway earth station within the service area of partnering licensee of access service, in case connectivity through satellite is used.
- (vi) Data service may be provided by the IFMC service provider through Wi-Fi.
- (vii) The authorization shall be valid for a period of ten years from the date of its grant.

#### **9. Use of Wireless Access System including Radio Local Area Network in 5 GHz band (Exemption from Licensing Requirement) Rules, 2018**

The WPC wing of DoT has issued a notification [Use of Wireless Access System including Radio Local Area Network in 5 GHz band (Exemption from Licensing Requirement) Rules, 2018] in the Gazette of India dated October 18, 2018 for introducing de-licensing in the 5GHz frequency band. The key highlights are as follows:

- No license is required under indoor and outdoor environment to establish, maintain, work, possess or deal in any wireless equipment for the purpose of low power wireless access systems, including radio local area networks operating in the frequency band 5150-5250 MHz; 5250-5350 MHz; 5470-5725 MHz; and 5725-5875 MHz.
- In addition the DoT Guidelines lay down the compliance required with the technical parameters; namely maximum conducted output power and the maximum power spectral density and the “equivalent isotropic radiated power” or “e.i.r.p” requirements.

#### **10. DoT Notification on Implementation of Green Technologies:**

DoT has issued a Notification / Direction dated January 7, 2019, superseding its Direction dated January 4, 2012 for Implementation of Green Technologies in Telecom Sector. The Direction sets up procedures for measurement of carbon footprint and implementing carbon emission reduction targets. Accordingly:

- The service providers shall be required to submit the Carbon Footprint report to DoT on self-certification basis.
- The TSPs are required to voluntarily adopt the RET solutions, energy efficient equipments and high capacity fast charging storage solutions etc. to meet the target for reduction of Carbon Footprint.
- The TSPs shall finalize and submit a roadmap for meeting the targets of reduction of footprint.
- Further, the Service Providers would adopt a Voluntary Code of Practice encompassing energy efficient Network Planning, infra-sharing, deployment of energy efficient technologies and adoption of Renewable Energy Technology.

#### **11. DoT Amendment on Discontinuation of Services:**

DoT on January 24, 2019 issued an Amendment to the UL agreement –

- Amendment in Operating Conditions - Licensee may discontinue any of the service, under a Service Authorization to its subscribers, by giving notice to Licensor and TRAI of at least 60 Calendar days in advance with reasons.
- In that case it shall also notify all its subscribers by sending a 30 Calendar days’ notice to each of them, clearly stating the options available to subscribers including that of MNP also.
- The effective date of discontinuity of Service will be 61st Calendar days counted from the date of receipt of such notice by the Licensor.

#### **12. Direction on Online Tariff Filing:**

TRAI on May 23, 2018 issued the direction on Online Tariff Filing directing all TSPs to report (w.e.f. June 30, 2018) any new tariff and/or any changes therein, within seven days to the Authority via Online tariff filing portal launched by TRAI. The Direction also states

that the tariffs will be put online by TRAI to enable the consumers to view tariff of all service providers and compare them.

Further, on December 20, 2018, TRAI has issued the direction directing the TSPs to file tariffs online w.e.f. January 1, 2019 and physical filing to be done only in the case of ISD tariffs and International Roaming tariffs.

### **13. Telecom Commercial Communications Customer Preference Regulations (TCCCP):**

TRAI on July 19, 2018, issued the TCCCP, 2018 Regulation which provides for registration of senders (businesses and telemarketers), headers, subscribers' consent, message templates and fine-grained control over preferences. The salient features of the regulation are:

- Adoption of Distributed Ledger Technology (or Block-chain) as RegTech to ensure compliance with innovation;
- Co-regulation where Telecom Service Providers/ Access Providers can establish and arrange framework legally backed up by regulation;
- Enabling compliance through innovation in technology solutions that are demonstrated in a regulatory sandbox; and
- Enhanced controls and new options for all entities to perform their functions and to carry out their businesses efficiently.

### **14. Telecommunication Mobile Number Portability (Seventh Amendment) Regulations, 2018**

TRAI on December 13, 2018 issued seventh amendment to MNP Regulation, which have come into effect from June 2019, with below salient features:

- Allocation and delivery of UPC to the customers intending to port their number to be ensured by MNPSP;
- Timelines has been provisioned as 2 days for intra-circle porting and 4 working days for inter-circle and corporate numbers porting;
- Withdrawal of the porting requests can be done through SMS; and
- For corporate porting, limit of 50 numbers per authorization letter has been enhanced to 100 numbers per authorization letter.

### **Opportunities, Risks, Concerns and Threats**

The Indian mobile industry has rapidly consolidated among few large and well capitalized operators, who have been making significant investments towards expanding broadband network across the country. Industry broadband coverage thus continued to improve in FY19 and the 4G services being offered by all the operator companies are extremely affordable. This coupled with increasing affordability of smartphones and rising income levels have led to massive spurt in broadband users. As a result, India had an impressive growth in wireless broadband subscriber (>512 kbps), up from 395 Mn in March 2018 to 545 Mn in March 2019. Despite such strong broadband subscriber addition, there is significant headroom for wireless broadband penetration (as a percentage of overall subscriber base) to improve which still remains low at 47% as of March 2019 (Source: TRAI).

India's growing young population is driving growth in social media usage and content consumption, through both video and audio apps, and the demand for high speed internet is expected to further rise. Due to lack of adequate infrastructure, the growth of wired internet has been restricted to major cities as a result of which wireless remains the preferred means of connecting to the internet. Your Company with the largest spectrum footprint, significant network investments and customer affinity to its two strong brands – Vodafone and Idea is fully equipped to benefit from these trends and has been aggressively expanding its broadband network across the length and breadth of country. Further, the rural penetration is still at a relative low level of 57.1%, indicating nearly 300-400 million Indians, who are yet to adopt mobile telephony services which provides significant long term opportunity to the mobile operators.

The Indian wireless industry has continued to remain under significant stress with unrelenting pricing pressure since launch of the new 4G mobile operator in September 2016. All the operators have been selling aggressive heavily discounted unlimited voice bundled with data plans which has led to significant ARPU erosion. As a result ARPU's are at an all-time lows with much higher value proposition to customers in comparison to past. In the consolidated industry structure, surviving operator could benefit significantly

in case of any pricing. Further, customers migrating from 2G to 4G also uplifts overall ARPU with all operators benefitting from these trends.

Your Company has several ongoing litigations and any adverse determination of these remains a risk. 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. Your Company works with various local, state and central government agencies for specific permissions to operate its mobile licenses and is required to meet various regulatory/ policy guidelines of the DoT and may be subjected to various regulatory demands, penalties/fines or increased cost of compliance. Your Company makes best effort to adhere to all such requirements.

The telecom sector is characterized by technological changes and competition from new technologies is an inherent threat. However, your Company has a strong spectrum portfolio and robust network footprint to adapt to any future technological changes.

Your Company's business is dependent on key Network and IT equipment suppliers for management and continuity of its Network, IT and business processes. Your Company is currently integrating the network and IT equipment of the erstwhile entities following merger effective August 31, 2018. While your Company is following a very well-defined integration plan, given the large scale of integration, there is a possibility of network disruptions. Your Company has already completed network integration in 10 out of 22 service areas without any major disruptions. These networks may also be vulnerable to technical failures or any natural calamity. Your Company is in partnership with global leaders in Network equipment and IT services and enjoys very long standing healthy relations with all

its suppliers. Your Company has a robust network & IT security processes and disaster recovery plans.

### **Outlook**

The merger of Vodafone India and Idea Cellular, a partnership between two strong promoters Aditya Birla Group and Vodafone group, has created India's leading telecom service provider. The merger of two large organizations with complementary strengths has opened multiple opportunities for your Company to draw synergies across the board. Your Company has set on a strong course with meticulous pre-merger planning, a well-defined strategy and rigorous post-merger execution. Your Company continues to focus on accelerated execution of the stated strategy of rapid integration, prioritizing investment in profitable areas, driving ARPU up with simplification and upselling, focus on partnerships to drive value and strengthening the balance sheet.

Since merger, your Company has achieved several milestones ahead of the expected timeline and is well on track to deliver the guided synergies envisaged at the time of merger. Your Company is making significant investments for expanding coverage and capacity of 4G network with target of reaching 80% 4G population coverage (95% coverage in key profitable districts) and 2.5 times capacity by March 2020, compared to September 2018. All these initiatives will provide the best of customer experience to our retail and enterprise customers; and help in creating an agile and future-fit organization. The rights issue which was concluded in May 2019 reflects the strong shareholders' belief in our strategy. The proceeds from the rights issue coupled with various assets monetization initiatives underway puts your Company in a strong position to achieve its strategic intent.

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### **Cautionary Statement**

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

## Corporate Governance Report

### Company's Philosophy on Corporate Governance

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

Corporate Governance has always been intrinsic to the management of the business and affairs of our Company. Pursuant to the merger of Vodafone India Limited and Vodafone Mobile Services Limited with your Company, 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, 2019 is as set out hereunder:

The Composition of the Board of Directors and the number of Directorships and Committee positions held by them as on March 31, 2019 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	Chairperson	
Mr. Kumar Mangalam Birla	Non-Executive Chairman	8	-	-	<ol style="list-style-type: none"> <li>Grasim Industries Ltd. (Non Executive Director)</li> <li>Hindalco Industries Ltd. (Non Executive Director)</li> <li>UltraTech Cement Ltd. (Non Executive Director)</li> <li>Century Textiles and Industries Ltd. (Non Executive Director)</li> <li>Aditya Birla Capital Ltd. (Non Executive Director)</li> </ol>

### 1. BOARD OF DIRECTORS

An active, informed and independent Board is a pre-requisite for strong and effective Corporate Governance. The Board plays a crucial role in overseeing how the management safeguards the interests of all the stakeholders. The Board ensures that the Company has clear goals aligned to the shareholders' value and growth. The Board critically evaluates strategic direction of the Company and exercises appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large. The Board is duly supported by the Management in ensuring effective functioning of the Company.

#### Composition of the Board

The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the Listing Regulations. Your Company's Board represents a confluence of experience and expertise from diverse areas of technology, banking, telecommunication, general management and entrepreneurship.

The composition of the Board underwent a significant change pursuant to the merger of Vodafone India Limited and Vodafone Mobile Services Limited with the Company in order to maintain adequate representation from both Vodafone Group as well as Aditya Birla Group. As on March 31, 2019, 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. The composition of the Board reflects the judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

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	Chairperson	
Mr. Himanshu Kapania <sup>3</sup>	Non-Executive	4	-	-	Grasim Industries Ltd. (Non Executive Director)
Mr. D. Bhattacharya <sup>4</sup>	Non-Executive	2	-	-	Hindalco Industries Ltd. (Non Executive Director)
Mr. Vivek Badrinath <sup>5</sup>	Non-Executive	-	-	-	-
Mr. Ravinder Takkar <sup>6</sup>	Non-Executive	1	-	-	-
Mr. Thomas Reisten <sup>7</sup>	Non-Executive	1	1	-	-
Mr. Arun Adhikari <sup>8</sup>	Independent	4	2	-	1. Aditya Birla Capital Ltd. (Independent Director) 2. UltraTech Cement Ltd. (Independent Director) 3. Voltas Ltd. (Independent Director)
Ms. Ashwani Windlass <sup>9</sup>	Independent	5	-	4	1. Max India Limited (Non Executive Director) 2. Max Financial Services Ltd. (Non Executive Director) 3. Hindustan Media Ventures Ltd. (Non Executive Director) 4. Jubilant Foodworks Ltd. (Non Executive Director)
Ms. Neena Gupta <sup>10</sup>	Independent	1	1	-	-
Mr. Krishnan Ramachandran <sup>11</sup>	Independent	2	-	2	1. Nelco Ltd. (Independent Director) 2. Cyient Ltd. (Independent Director)
Mr. Suresh Vaswani <sup>12</sup>	Independent	-	-	-	-
Mr. Arun Thiagarajan	Independent	5	2	4	1. GE Power India Ltd. (Independent Director) 2. TTK Prestige Ltd. (Independent Director) 3. Gokaldas Exports Ltd. (Independent Director) 4. Aditya Birla Fashion & Retail Ltd. (Independent Director) 5. Grasim Industries Ltd. (Independent Director)

1. Directorships held by the Directors as mentioned above, excludes directorships held in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.
2. In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees viz. Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.
3. Mr. Himanshu Kapania resigned as Managing Director with effect from 31 August 2018 and continues as Non-Executive Director thereafter.
4. Mr. D. Bhattacharya appointed as Director with effect from 31 August 2018.
5. Mr. Vivek Badrinath appointed as Director with effect from 31 August 2018.
6. Mr. Ravinder Takkar appointed as Director with effect from 31 August 2018.
7. Mr. Thomas Reisten appointed as Director with effect from 31 August 2018.
8. Mr. Arun Adhikari appointed as Independent Director with effect from 31 August 2018.
9. Mr. Ashwani Windlass appointed as Independent Director with effect from 31 August 2018.
10. Ms. Neena Gupta appointed as Independent Woman Director w.e.f. 17 September 2018
11. Mr. Krishnan Ramachandran appointed as Independent Director w.e.f. 27 December 2018
12. Mr. Suresh Vaswani appointed as Independent Director w.e.f. 08 February 2019

On 31 August 2018, the Board of the Company was reconstituted pursuant to the merger of Vodafone India Limited and Vodafone Mobile Services Limited with the Company and consequently, Mr. Mohan Gyani, Mr. Pejavar Murari, Mrs. Rajashree Birla, Mr. Sanjeev Aga and Mr. Baldev Raj Gupta tendered their resignation. Ms. Tarjani Vakil resigned on 17 September 2018 due to pre-occupation. Mr. Uday Khanna, Mr. Douglas Baillie resigned on 28 September 2018 and 14 November 2018 respectively due to pre-occupation. Accordingly, the Independent Directors have resigned in the usual course and there is no specific material reason for their resignation.

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

During the year under review, none of the Director(s) were a Director on the Board of more than ten Public Limited Companies or an Independent Director in more than seven Listed Companies. Further, none of the Director is a member of more than ten Committees or Chairman of more than five Committees, across all the Companies in which he/she is a Director. As on 31 March 2019, no Directors are related to each other. The Company has issued the formal letter of appointment to all the Independent Directors as prescribed under the provisions of the Companies Act, 2013 and the terms and conditions of their appointment has been uploaded on the website of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Regulation 16(1)(b) of the Listing Regulations and Section 149 (6) of the Companies Act, 2013 and they are qualified to act as Independent Directors.

### 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 below mentioned skills / expertise / competencies which are fundamental to the Company's business and are currently possessed by the Directors:

- (a) Leadership - Overall experience for enhancing enterprise value by practical understanding of organization, process flow and strategic planning. Focus on driving change and envision long-term growth.

- (b) Technology and network – Significant knowledge of technology and network operation, anticipation of emerging technology trends and provide guidance for technical collaboration.
- (c) Financial and Risk Management and Legal Expertise – 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.
- (d) Sales and Marketing – Experience in sales and marketing, enhancing brand awareness and customer satisfaction, providing guidance in developing strategies for increasing sales.
- (e) Governance – Providing insights in best governance practices, protecting and enhancing stakeholders value, maintaining board and management accountability.

### Board Meetings and Procedure

The annual calendar of meetings is broadly determined at the beginning of each year. The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. Apart from the above, additional Board Meetings are convened to address the specific needs of the Company. In case of urgent business exigencies some resolutions are also passed by circulation, as permitted by law, which is noted in the subsequent Board Meeting. Time gap between two consecutive meetings does not exceed 120 days. Video Conferencing facility is also made available to enable participation of Directors, in case they are unable to attend the meeting physically.

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. While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013, read with the Rules made thereunder.

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. 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. Action Taken Report in respect of the decisions arising out of the previous meetings is placed at the succeeding meeting of the Board/Committee. The Members of the Board have complete freedom to express their opinion and have unfettered and complete access to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at the meetings.

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

During the Financial Year 2018-19, the Board met eleven times i.e. on 24 April 2018, 28 April 2018, 30 July 2018, 31 August 2018, 17 September 2018, 14 November 2018, 23 January 2019, 06 February 2019, 18 February 2019, 20 March 2019 and 27 March 2019. The intervening gap between 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 FY 17-18 was held on 22 December 2018) are as under:

Name of Director	No. of Board Meetings held during the tenure		Attended Last AGM (Yes/No)
	Held	Attended	
Mr. Kumar Mangalam Birla	11	9	Yes
Mr. Baldev Raj Gupta (Resigned w.e.f. 31.08.2018)	4	4	N.A.
Mrs. Rajeshree Birla (Resigned w.e.f. 31.08.2018)	4	2	N.A.
Mr. Sanjeev Aga (Resigned w.e.f. 31.08.2018)	4	4	N.A.
Mr. Himanshu Kapania <sup>#</sup>	11	9	Yes
Mr. Akshaya Moondra <sup>*</sup>	4	4	N.A.
Mr. Arun Thiagarajan	11	6	Yes
Mr. Mohan Gyani (Resigned w.e.f. 31.08.2018)	4	0	N.A.
Mr. P. Murari (Resigned w.e.f. 31.08.2018)	4	1	N.A.
Mr. D. Bhattacharya (Appointed w.e.f. 31.08.2018)	7	7	Yes
Mr. Ravinder Takkur (Appointed w.e.f. 31.08.2018)	7	6	Yes
Mr. Arun Adhikari (Appointed w.e.f. 31.08.2018)	7	4	Yes
Mr. Uday Khanna (From 31.08.2018 to 28.09.2018)	1	1	N.A.
Ms. Tarjani Vakil (Resigned w.e.f. 17.09.2018)	5	5	N.A.
Ms. Ashwani Windlass (Appointed w.e.f. 31.08.2018)	7	7	Yes
Mr. Douglas Baillie (From 31.08.2018 to 13.11.2018)	1	1	N.A.
Mr. Vivek Badrinath (Appointed w.e.f. 31.08.2018)	7	6	No
Mr. Thomas Reisten (Appointed w.e.f. 31.08.2018)	7	5	No
Ms. Neena Gupta (Appointed w.e.f. 17.09.2018)	6	4	Yes
Mr. Krishnan Ramachandran (Appointed w.e.f. 27.12.2018)	5	3	N.A.
Mr. Suresh Vaswani (Appointed w.e.f. 8.02.2019)	3	1	N.A.

<sup>#</sup> Mr. Himanshu Kapania resigned as Managing Director w.e.f. 31 August 2018 and continues as Non-Executive Director thereafter.

<sup>\*</sup> Mr. Akshaya Moondra resigned as Whole-time Director of the Company w.e.f. 31 August 2018, the data mentioned above pertains to that period only.

## Induction and Familiarization program for Board Members

A formal letter of appointment together with the Induction kit is provided to the Independent Directors, at the time of their appointment, setting out their role, functions, duties and responsibilities. The criteria, terms and conditions for appointment of Independent Directors of the Company is placed on the website [www.vodafoneidea.com](http://www.vodafoneidea.com). The Directors are familiarized with your Company's business and operations and interactions are held between the Directors and senior management of your Company. Directors are familiarized with the organizational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. Apart from the above, periodic presentations are also made at the Board / Committee meetings to familiarize the Directors with the Company's strategy, business performance, business environment, regulatory framework, operations review, risk management and other related matters.

The details of familiarization programs are posted on the website of the Company viz. [www.vodafoneidea.com](http://www.vodafoneidea.com)

## Meeting of Independent Directors

During the year under review, the Independent Directors met informally without the presence of Non-Independent Directors and the management, 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;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the board as a whole. Inputs and suggestions received from the Directors were considered at the subsequent Board Meeting and are being implemented.

## Performance Evaluation of Board

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a formal evaluation mechanism is in place for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation was done based on the criteria which includes, amongst others, providing strategic perspective, attendance and preparedness for the meetings, contribution at meetings,

effective decision making ability, role of the Committees etc. The Directors expressed their satisfaction with the evaluation process and the performance of the Board as a whole.

## 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 Personnel of the Company, which is also uploaded on the website of the Company [www.vodafoneidea.com](http://www.vodafoneidea.com). The Code is derived from three inter-linked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. Code of conduct provides guidance and support for ethical conduct of the business.

## Declaration affirming compliance of Code of Conduct

The Company has received confirmations from all the Board members as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration signed by the 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, 2019 is attached and forms part of this Report.

## 2. COMMITTEES OF THE BOARD

The Board Committees play a vital role in improving Board effectiveness in areas where more focused and extensive discussions are required. 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, 2019, 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 (dissolved on August 31, 2018)
- (h) Securities Allotment Committee (dissolved on September 17, 2018)



All the Committees have formally established terms of references / Charter. The Minutes of the Committee Meetings are noted by the Board.

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 judgement 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors of any significant findings and follow-up thereon.
15. 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.
16. 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.
17. 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.

18. To review the functioning of the Whistle Blower mechanism;
19. 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.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. 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, 2019, 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 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 2018-19, four meetings of the Audit Committee were held on 27 April 2018, 30 July 2018, 13 November 2018 and 06 February 2019. The intervening gap between two Meetings did not exceed 120 days. The composition of the Audit Committee and the attendance of the members at the meetings held during the year are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Ashwani Windlass (Chairman)	Independent	2	2
Mr. Arun Thiagarajan	Independent	4	3
Ms. Tarjani Vakil (Resigned w.e.f. 17.09.2018)	Independent	2	2
Mr. Baldev Raj Gupta (Resigned w.e.f. 31.08.2018)	Independent	2	2
Mr. Douglas Baillie (Resigned w.e.f. 14.11.2018)	Independent	1	0
Mr. D. Bhattacharya	Non-Executive	2	2
Mr. Thomas Reisten	Non-Executive	2	2
Mr. Krishnan Ramachandran (from 23.01.2019)	Independent	1	1
Mr. Suresh Vaswani (from 18.02.2019)	Independent	0	0

The Audit Committee was reconstituted on 17 September 2018 with Mr. Ashwani Windlass being appointed as Chairman of the Audit Committee in place of Mr. Arun Thiagarajan, who continues as member of the Audit Committee. The other members include Mr. D. Bhattacharya, Mr. Thomas Reisten, Mr. Krishnan Ramachandran and Mr. Suresh Vaswani.

All the recommendations made by the Audit Committee were accepted by the Board.

## B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been entrusted with role of formulating criteria for determining the qualifications, positive attributes and independence of the Directors as well as identifying persons who are qualified to become Directors and persons who may be appointed at senior management levels and also devising a policy on remuneration of Directors, Key Managerial Personnel and other senior employees. The Committee also monitors and administers the Company's Employee Stock Option Scheme(s). 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) Regulations, 2014.

### Composition, Meetings and Attendance

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2019, Committee comprises of four Non-Executive Directors, two of them are Independent Directors including the Chairman. The Company Secretary acts as a secretary to the Committee.

During the Financial Year 2018-19, five meetings of the Nomination and Remuneration Committee were held on 28 April 2018, 30 July 2018, 31 August 2018, 17 September 2018 and 06 February 2019.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings held during the Financial Year 2018-19 are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Arun Adhikari (Chairman)	Independent	1	1
Mr. Kumar Mangalam Birla (till 17.09.2018)	Non-Executive	4	4
Mr. Arun Thiagarajan (till 17.09.2018)	Independent	4	2
Ms. Tarjani Vakil (Resigned w.e.f 17.09.2018)	Independent	4	4
Mr. Vivek Badrinath (from 17.09.2018)	Non-Executive	1	1
Mr. Himanshu Kapania (from 17.09.2018)	Non-Executive	1	1
Mr. Douglas Baillie (Resigned w.e.f 14.11.2018)	Independent	0	0
Mr. Suresh Vaswani (from 18.02.2019)	Independent	0	0

The Nomination and Remuneration Committee was reconstituted on 17 September 2018 with Mr. Arun Adhikari being appointed as Chairman in place of Ms. Tarjani Vakil who resigned on 17 September 2018. The other members include Mr. Himanshu Kapania, Mr. Vivek Badrinath and Mr. Suresh Vaswani.

### Performance Evaluation Criteria for Independent Directors

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

### Nomination & Remuneration Policy

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

The remuneration policy is available on the website of the Company [www.vodafoneidea.com](http://www.vodafoneidea.com).

### Remuneration of Directors

#### (i) Remuneration to the Executive Directors

The remuneration package of Executive Directors including the 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.

Pursuant to the merger of Vodafone India Limited and Vodafone Mobile Services Limited with the Company, there was change in composition of the Board of Directors of the Company and the senior management team. Mr. Himanshu Kapania resigned as Managing Director of the Company and continues as a Non-Executive Director of the Company with effect from 31 August 2018. Mr. Balesh Sharma was appointed as Chief Executive Officer of the Company with effect from 31 August 2018 for a period of 5 years. Further, Mr. Akshaya Moondra who was earlier the Whole-time Director (WTD) and Chief Financial Officer of the Company resigned as WTD and continues as CFO of the Company.

#### I. Details of the Managerial Remuneration paid to the Executive Directors during Financial Year 2018-19 is as under: (applicable up till 31 August 2018 only)

Executive Director	Relation with other Directors	Business relationship with the Company, if any	Remuneration during 2018-19			
			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. Himanshu Kapania	None	Managing Director	₹ 66.21 Mn	-	See Note (a)	See Table II below
Mr. Akshaya Moondra	None	Whole Time Director and Chief Financial Officer	₹ 20.19 Mn	-	See Note (a)	See Table II below

(a) The tenure of Managing Director and Whole Time Director is for 5 years from their respective dates of appointment and can be terminated by three months' notice on either side. No severance fees is payable to the Managing Director or Whole Time Director.

## II. Details of Stock Options (Options) and Restricted Stock Units (RSU) granted/exercised to/by the Executive Directors: (applicable up till 31 August 2018 only)

Executive Director	ESOS -2006			ESOS-2013		
	No. of Options Granted	Exercise price (in Rs.)	Options Exercised	No. of Options / RSU granted	Exercise Price (in Rs.)	Options/ RSU Exercised
Mr. Himanshu Kapania	267,500 options (Tranche I)	39.30	2,67,500	1,893,740 options and 533,333 RSU's (Tranche I)	126.45 10/-	80,000 533,333
	66,875 options (Tranche II)	45.55	66,875	1,57,812 Options and 44,444 RSU's (Tranche IV)	110.45 10/-	-
Mr. Akshaya Moondra	1,07,000 options (Tranche II)	45.55	1,07,000	297,885 options and 146,944 RSU's (Tranche I)	126.45 10/-	NIL 146,944
	53,500 options (Tranche III)	57.55	53,500	-	-	-

- (a) In terms of your Company's Employee Stock Option Scheme, 2006 (ESOS-2006), each Option is convertible into one equity share of the Company upon vesting. These Options vest in 4 equal annual instalments after one year of the grant and are exercisable within a period of 5 years from the date of vesting.
- (b) In terms of Employee Stock Option Scheme, 2013 (ESOS-2013), each Option and each Restricted Stock Units (RSU) when exercised is convertible into one equity share of the Company. The Options would vest in 4 equal annual instalments after one year of the grant, subject to meeting certain performance criteria and the RSUs have bullet vesting at the end of 3 years from the date of grant. The Options and RSUs shall be exercisable within a period of 5 years from the date of vesting.

### (ii) Remuneration to Non-Executive/Independent Directors

Non-Executive Directors (including Independent Directors) are paid remuneration by way of sitting fees for the meetings attended by them and Commission which is well within the limits prescribed under Companies Act, 2013 ('the Act'). The Commission/ Remuneration payable to Non- Executive 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, 2019, no Commission has been approved by the Board for Financial Year 2018-19

During the year under review, the Board of Directors approved a change in the payment of sitting fees

to its Directors. Non-Executive Directors (Excluding Independent Directors) are not entitled to any sitting fees effective 31 August 2018. Further, effective February 6, 2019, the Board approved increase in payment of sitting fees to Rs. 1,00,000/- per Board meeting and Rs. 50,000/- per Committee meeting to be paid only to Independent Directors.

The 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 Non-Executive Directors/ Independent Directors (during their respective tenures) for the Financial Year ended March 31, 2019 are as follows:

Name of Non-Executive Director	Sitting Fees paid for FY 2018-19 (in Rs.)
Mr. Kumar Mangalam Birla	2,60,000
Mrs. Rajashree Birla	1,00,000
Mr. Arun Thiagarajan	5,90,000
Ms. Tarjani Vakil	4,40,000
Mr. P. Murari	50,000
Mr. Sanjeev Aga	2,40,000
Mr. Baldev Raj Gupta	2,50,000
Mr. Arun Adhikari	4,00,000
Ms. Neena Gupta	4,00,000
Mr. Uday Khanna	50,000
Mr. Ashwani Windlass	6,95,000
Mr. Douglas Baillie	50,000
Mr. Krishnan Ramachandran	3,50,000
Mr. Suresh Vaswani	1,00,000

There were no pecuniary relationships/ transactions between your Company and the Non-Executive Directors/ Independent Directors during the year.

### (iii) Details of Shareholding of Non-Executive Directors

The details of shareholding of Directors as on March 31, 2019 are as under:

Name of Director	No. of Equity Shares <sup>#</sup>
Mr. Kumar Mangalam Birla	2,33,333
Mr. Arun Thiagarajan	7,700
Mr. D. Bhattacharya	6,202
Mr. Himanshu Kapania	8,22,708

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

### C. Stakeholders Relationship Committee

The Company has in place a Stakeholders' Relationship Committee which ensures quick redressal of the complaints of the stakeholders and oversees the process of share transfer. The Committee also monitors redressal of Shareholders'/ Investors' complaints/ grievances viz. non-receipt of annual report, dividend payment, issue of duplicate share certificates, transmission of shares and other related complaints. In addition, the Committee also monitors other issues including status of Dematerialisation/ Rematerialisation of shares issued by the Company.

### 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, 2019, the Committee comprises of four members namely, Mr. Ravinder Takkar (Non-Executive) as Chairman, Ms. Neena Gupta (Independent), Mr. D. Bhattacharya (Non-Executive) and Mr. Himanshu Kapania (Non-Executive). The Company Secretary acts as a Secretary to the Committee. During the Financial Year 2018-19, the Stakeholders' Relationship Committee met once on 06 February, 2019 and the said meeting was attended by all the 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, 10th Floor, Century Mills Compound,

Pandurang Budhkar Marg, Worli, Mumbai – 400 030

Tel: +91-9594003434 Fax: +91-22-26527080

Email: shs@vodafoneidea.com

### Investor Grievances Redressal Status

During the Financial Year 2018-19, the complaints and queries received from the shareholders were general in nature and were mainly pertaining to non-receipt of annual reports, request for subsidiary annual accounts etc. All the complaints were resolved to the satisfaction of the investors.

The status of Investors' Complaints as on March 31, 2019, is as follows:

No. of complaints as on April 1, 2018	0
No. of complaints received during the Financial year 2018-19	57
No. of complaints resolved upto March 31, 2019	57
No. of complaints pending as on March 31, 2019	0

To redress investor grievances, the Company has a dedicated email ID 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 during the year and amount to be spent on CSR activities. The CSR Committee monitors the CSR policy from time to time.

As on March 31, 2019, the Committee comprised of four members, with majority Independent Directors. Mrs. Neena Gupta, Independent Director is the Chairperson of the Committee. Mr. Arun Adhikari (Independent), Mr. Krishnan Ramachandran (Independent) and Mr. Ravinder Takkar (Non-Executive) are other members of the Committee. Mr. P Balaji – Director, Chief Regulatory, CSR & External Affairs 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 2018-19, the Committee met once on 06 February 2019 and all members of the Committee attended the Meeting.

The details of various CSR activities undertaken in FY 18-19 are provided in the Boards' Report. The focus areas for Company's CSR activities were health care, education, sustainable livelihood, infrastructure development and social change. The Annual Report on the CSR activities for the Financial Year ended March 31, 2019 is attached as 'Annexure B' to the Board's Report. Corporate Social Responsibility Policy of the Company is available on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com)

**E. Risk Management Committee**

In compliance with the requirements of Regulation 21 of the Listing Regulations, the Board has duly constituted the Risk Management Committee. The Committee's prime responsibility is to frame, implement and monitor the Enterprise Risk Management framework for the Company. The Committee reviews and monitors the risk management plan and ensures its effectiveness. As on March 31, 2019 the Committee comprised of four members – two Non-Executive Directors and two Independent Directors. Mr. Himanshu Kapania is the Chairman of the Committee and Mr. Thomas Reisten (Non-Executive), Mr. Arun Adhikari (Independent) and Mr. Ashwani Windlass (Independent) are other members of the Risk Management Committee. The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2018-19, the Risk Management Committee met once on 29 March 2019 and the said meeting was attended by all the members except Mr. Arun Adhikari.

**F. Capital Raising Committee**

During the year under review, your Board constituted a Capital Raising Committee to evaluate various modes of equity issuance for raising further funds of upto ₹ 25,000 crores such as Rights Issue / Qualified Institutions Placement / Preferential Issue etc. The Capital Raising Committee comprises of four members with equal composition of Non-Executive Directors and Independent Directors. Mr. D. Bhattacharya is the Chairman of the Committee and Mr. Ravinder Takkar (Non-Executive), Mr. Ashwani Windlass (Independent) and Mr. Arun Thiagarajan (Independent) are the members of the Committee. The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Capital Raising Committee met once on 18 January 2019. The Meeting was attended by all the members except Mr. Arun Thiagarajan.

**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 borrowings, working capital management, foreign currency contracts, besides other powers granted to it by the Board. Pursuant to the merger of the Company and the cessation of members of Finance Committee from the Board, it was dissolved effective 31 August 2018.

As on 31 August 2018, the Committee comprised of three members namely, Mr. Sanjeev Aga, Mr. Himanshu Kapania and Mrs. Tarjani Vakil. During the year the Finance Committee met twice on 22 May 2018 and 30 July 2018. Both meetings were duly attended by all the members of the Finance Committee.

**H. Securities Allotment Committee**

The Company had a Securities Allotment Committee to make allotment of all kinds of securities that may be issued by the Company, from time to time. Pursuant to the merger of the Company and the cessation of members of the Committee from the Board, it was dissolved effective September 17, 2018.

The Committee comprised of Mr. Himanshu Kapania and Ms. Tarjani Vakil. During the year, the Securities Allotment Committee met once on 03 September 2018. The meeting was attended by both members of the Committee.

### 3. SUBSIDIARY COMPANIES

The subsidiary companies are managed by their individual Board of Directors. Minutes of the subsidiary companies are placed before the Board for noting. None of the subsidiary companies are material Indian non-listed subsidiary in terms of Regulation 16(c) of the Listing Regulations. The policy for determining material subsidiary is available on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com)

Financial statements, in particular the investments made by the unlisted subsidiaries, statement containing all significant transactions and arrangements entered into by the unlisted subsidiaries forming part of the financials are reviewed by the Audit Committee. Also, statements of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically brought to the attention of the Board by the Management.

### 4. DISCLOSURES

#### a. Related Party Transactions

All contracts/arrangements/transactions entered by the Company with the related parties during the financial year as detailed in Note no. 60 of the Standalone Financial Statements were in ordinary course of business and at an arm's length basis and were approved by the Board / 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. Member's approval for material Related Party Transaction, as defined under the Listing Regulations, shall be obtained at the ensuing Annual General Meeting.

All Related Party Transactions are placed before the Audit Committee for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. In compliance with Listing Regulations, the

necessary statements/disclosures with respect to the Related Party Transactions, are tabled before the Audit Committee and the Board of Directors on quarterly basis. The Company has implemented a Related Party Transaction manual and Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The details of the transactions with Related Parties are provided in the accompanying financial statements as required under Ind AS 24. In line with requirement of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, your Company has adopted a Policy on Related Party Transactions which is available at Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com)

#### b. Disclosure of Accounting Treatment

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

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

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

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

On 20 March, 2019 the Company approved the issue of 19,999,830,911 Equity Shares at ₹ 12.50 per Equity Share (including a premium of ₹ 2.50 per Equity Share), aggregating to approximately ₹ 250,000 million on a rights basis in the ratio of 87 Equity Shares for every 38 fully paid-up Equity Shares held by the eligible Equity Shareholders as on record date i.e. 02 April, 2019. The said rights issue concluded on 04 May 2019. The Company discloses to the Audit Committee, the uses / application of proceeds / funds raised from public issue, private placement of equity shares etc., if any, as part of quarterly review of financial results.

#### 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, 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 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 behaviour, actual or suspected fraud and violation of Code of Conduct or ethics policy of your Company. The Policy provides adequate safeguards against victimization of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Your Company hereby affirms that no Director/Employee has been denied access to the Chairman of the Audit Committee.

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

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity for FY 2018-19 of which the Statutory Auditors are a part is as under:

Audit Fees*	₹ 100 Mn
Certification and other services	₹ 24 Mn
<b>Total</b>	<b>₹ 124 Mn</b>

\* Excludes out-of-pocket expenses

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

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of

Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulations 46 of the Listing Regulations. The Company has obtained a certificate affirming the compliances from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, the Company's Statutory Auditors and the same is appended as an Annexure to this Report.

#### i. Details of Compliances with the Non-mandatory Corporate Governance as prescribed under the SEBI (LODR) Regulations, 2015

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements as prescribed in Regulation 27 of the Listing Regulations:

- The position of the Chairman of the Board and the Chief Executive Officer of the Company are held by separate individuals
- Your Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance is made available to enable him to discharge his responsibilities effectively. As on 31 March 2019, there is no Managing Director of the Company.
- The statutory financial statements of your Company are unqualified.
- The quarterly results along with the press release, as approved by the Board are first submitted to the stock exchanges. The same are then uploaded on the website of the Company [www.vodafoneidea.com](http://www.vodafoneidea.com). On the next day of the announcement of the quarterly results, an earnings call is organised, where the management responds to the queries of the investors/ analysts. These calls are webcast live and transcripts thereof are posted on the website.
- The internal auditors directly report to the Audit Committee.

#### j. 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 - 16
- number of complaints disposed of during the financial year - 14
- number of complaints pending as on end of the financial year – 2 (these were closed in FY 19-20)

**5. MANAGEMENT DISCUSSION AND ANALYSIS**

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

**6. CEO / CFO CERTIFICATION**

As required under Regulation 17(8) of the Listing Regulations, certificate duly signed by the CEO/ CFO of the Company is appended as an Annexure to this Report.

**7. REPORT ON CORPORATE GOVERNANCE**

This Corporate Governance Report forms part of the Annual Report. The Company is in compliance with the Corporate Governance requirements specified under regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

**8. COMPLIANCES**

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

**9. GENERAL BODY MEETINGS**

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

FY	Date	Time	Venue	Particulars of Special Resolution(s)
2017-18	December 22, 2018	12.30 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School Sector 25, Gandhinagar –382 044, Gujarat.	<ol style="list-style-type: none"> <li>To approve and adopt Vodafone Idea Limited Employee Stock Option Scheme 2018.</li> <li>Extension of benefits of Vodafone Idea Limited Employee Stock Option Scheme 2018 to the employees of holding / subsidiary company(ies).</li> <li>Use of trust route for implementation of Vodafone Idea Limited Employee Stock Option Scheme 2018.</li> <li>Appointment of Mr. Balesh Sharma as Chief Executive Officer of the Company.</li> </ol>
2016-17	June 30, 2017	4.00 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School Sector 25, Gandhinagar –382 044, Gujarat.	<ol style="list-style-type: none"> <li>Issue of Non- Convertible Securities on private placement basis.</li> <li>Waiver of Recovery of Excess Managerial Remuneration paid to Mr. Himanshu Kapania, Managing Director for the period April 1, 2016 to March 31, 2017.</li> <li>Payment of Remuneration to Mr. Himanshu Kapania, Managing Director of the Company for the period April 1, 2017 to March 31, 2019.</li> <li>Payment of Remuneration to Mr. Akshaya Moondra, Whole-Time Director and Chief Financial Officer for the period from July 8, 2016 to March 31, 2019.</li> <li>Alteration of Articles of Association of the Company.</li> </ol>
2015-16	September 29, 2016	12.30 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School Sector 25, Gandhinagar –382 044, Gujarat.	<ol style="list-style-type: none"> <li>Issue of Non- Convertible Securities on private placement basis</li> </ol>

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.

## Extra-ordinary General Meeting

During the financial year 2018-19, an Extra-ordinary General Meeting of the Company was held on June 26, 2018.

FY	Date	Time	Venue	Particulars of Special Resolution(s)
2018-19	June 26, 2018	12.30 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School Sector 25, Gandhinagar –382 044, Gujarat.	1. Change in name of the Company. 2. Issue of Non-Convertible Securities on Private Placement basis.

### Postal Ballot

There was no Special Resolution passed through Postal Ballot during the financial year 2018- 2019. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

## 10. MEANS OF COMMUNICATION

### Quarterly Results, Presentation and News Releases

The Company's quarterly financial results, presentation made to Institutional Investors/Analysts, quarterly reports, official news releases and other general information about the Company sent to the Stock Exchanges and are also uploaded on the Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com)

The Company's quarterly financial results are published in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of the State of Gujarat where the Registered Office of the Company is situated. The quarterly financial results during the Financial Year 2018-19, were published in Business Standard (all editions) and Western Times (a regional daily published in Gandhinagar, Gujarat).

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

### Website

The Company's website [www.vodafoneidea.com](http://www.vodafoneidea.com) has a dedicated section for investor relations containing the financial results, shareholding pattern, annual reports, quarterly reports, updates / intimations filed with Stock Exchange(s), various policies adopted by the Board.

### NSE Electronic Application Processing System (NEAPS) and BSE Portal for Electronic filing

All periodical compliance filings, like shareholding pattern, Corporate Governance Report, media releases and other material information is filed electronically on the designated portals (NEAPS and BSE Listing Centre).

## GENERAL SHAREHOLDERS' INFORMATION

### 1. Annual General Meeting

Day and Date : Tuesday, 27 August 2019  
 Time : 12:30 p.m. IST  
 Venue : Cambay Sapphire  
 (Formerly Cambay Spa and Resort),  
 Plot No. 22-24, Near GIDC,  
 Opposite Hillwoods School, Sector 25,  
 Gandhinagar – 382 044, Gujarat

### 2. Financial Calendar for 2019-20 (Tentative)

Financial reporting for the quarter ending June 30, 2019 : End July, 2019  
 Financial reporting for the quarter ending September 30, 2019 : End October, 2019  
 Financial reporting for the quarter ending December 31, 2019 : End January, 2020  
 Financial reporting for the year ending March 31, 2020 : By Mid May, 2020  
 Annual General Meeting for the financial year 2019-20 : August, 2020

3. **Book Closure Date** : 20 August 2019 – 27 August 2019 (both days inclusive)

4. **Dividend** : Nil

- 5. Dividend Payment Date** : Not Applicable  
(Since no Dividend is recommended for FY 2018-19)
- 6. Registered Office** : Suman Tower,  
Plot No. 18, Sector - 11,  
Gandhinagar-382011,  
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 2019-20 has been paid to the above Stock Exchanges.

### 10. Stock Price Data

The monthly high and low prices and volume of shares of the Company at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the Financial Year 2018-19 are as under:

Month	BSE Limited				National Stock Exchange of India Limited			
	High (in ₹)	Low (in ₹)	Close (in ₹)	Avg. Vol. (in Nos.)	High (in ₹)	Low (in ₹)	Close (in ₹)	Avg. Vol. (in Nos.)
April, 2018	78.40	67.60	69.05	35,30,665	78.40	67.55	69.15	1,26,67,591
May, 2018	69.40	50.05	61.65	17,91,997	69.40	50.10	61.50	1,99,01,786
June, 2018	65.70	54.50	59.25	12,74,296	65.85	54.50	59.35	1,67,46,434
July, 2018	62.00	48.40	54.90	17,53,614	61.25	48.30	54.85	2,12,95,545
August, 2018	57.10	48.85	49.50	14,20,491	57.10	48.80	49.35	1,77,98,612
September, 2018	52.25	36.30	38.45	17,82,606	52.30	36.35	38.55	2,62,50,479
October, 2018	39.30	32.55	38.60	16,11,641	39.35	32.55	38.65	1,91,29,963
November, 2018	45.55	35.20	35.45	27,07,688	45.55	35.10	35.30	3,08,52,477
December, 2018	38.80	32.10	37.70	15,36,552	38.85	32.00	37.75	2,09,23,974
January, 2019	38.10	29.30	30.10	11,36,961	38.10	28.45	30.10	1,78,76,346
February, 2019	33.00	28.80	29.80	15,17,850	32.95	28.80	29.90	2,32,80,495
March, 2019	35.30	17.85	18.15	36,62,749	35.30	17.75	18.25	5,73,91,236

Source: BSE and NSE Website

### 8. Stock Codes

	Stock Code	Reuters	Bloomberg
BSE Limited	532822	VIL.BO	VIL IN
National Stock Exchange of India Limited	VIL	VIL.NS	NVIL IN
ISIN	INE669E01016		
CIN	L32100GJ1996PLC030976		

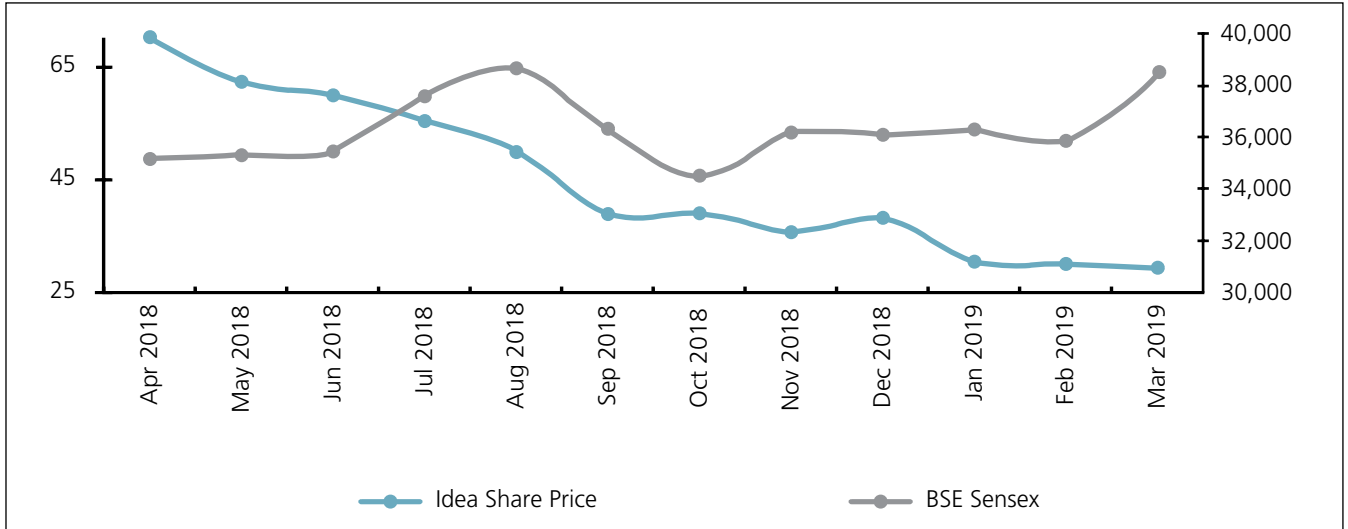
### 9. Debt Securities

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. However, certain Non-Convertible Debentures raised by erstwhile Vodafone Mobile Services Limited, which has since been amalgamated with the Company are unlisted.

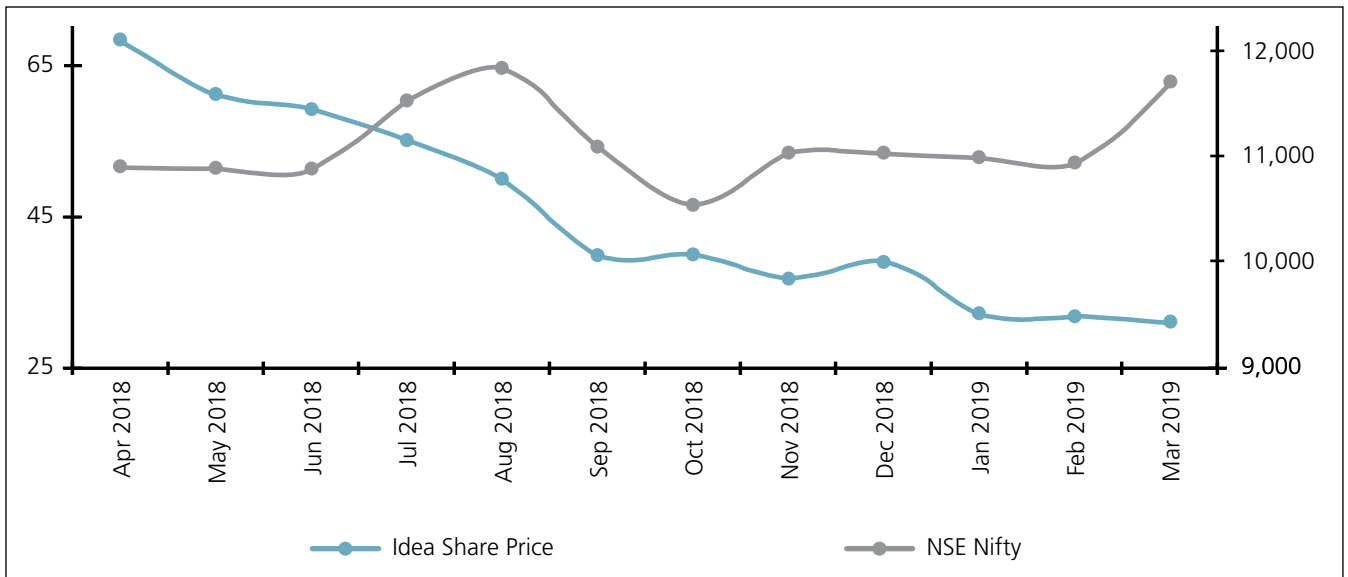
### 11. Stock Performance

The performance of the Company's share price vis-à-vis the broad based BSE and NSE indices during the year 2018-19 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  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East),  
Mumbai-400059

## 13. Debenture Trustees

M/s IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Building, Ballard Estate, Mumbai – 400 001	Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited) 83 - 87, 8th Floor, 'B' Wing, Mittal Tower, Nariman Point, Mumbai - 400021
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## 14. Share Transfer System

More than 99.99% of the equity share capital of the Company is held in Demat form. Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company. Transfer of shares in physical form is normally processed within a period of 12 working days from the date of the lodgment, subject to documents being valid and complete in all respects. All transfers are first processed by the Registrar and Share Transfer Agent and are submitted to the Company for approval thereafter. During the year under review, no request for physical transfer was received. Company also obtains half yearly certificate from a Practicing Company Secretary confirming compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and same is filed with the Stock Exchanges.

## 15. Distribution of Shareholding

The distribution of shareholding of the Company as on March 31, 2019 is as follows:

Number of Equity Shares held	Number of Shareholders	% to total Shareholders	No. of Shares held	% to total Shareholding
Upto 5000	340,515	98.5703	96,827,822	1.1084
5000 – 10000	2,357	0.6823	17,417,743	0.1994
10001– 20000	1,099	0.3181	15,732,274	0.1801
20001 – 30000	356	0.1031	8,983,781	0.1028
30001 – 40000	201	0.0582	7,114,537	0.0814
40001 – 50000	117	0.0339	5,398,266	0.0618
50001 – 100000	231	0.0669	16,789,696	0.1922
100001 & above	578	0.1673	8,567,294,210	98.0738
<b>Total</b>	<b>345,454</b>	<b>100.00</b>	<b>8,735,558,329</b>	<b>100.00</b>

## 16. Shareholding Pattern

The shareholding pattern of the Company as on March 31, 2019 is as follows:

Sr. No.	Category	No. of Shares	% Shareholding
<b>I</b>	<b>Promoter and Promoter Group</b>	6,230,680,176	71.33
<b>II</b>	<b>Public Shareholding</b>		
	<b>(a) Institutional Investors</b>		
	Foreign Portfolio Investors	1,147,349,360	13.13
	Mutual Funds / Venture Funds	267,777,645	3.07
	Financial Institutions / Banks	3,222,661	0.04
	Insurance Companies	119,045,349	1.36
	<b>(b) Others</b>		
	Bodies Corporate (Foreign)	712,000,543	8.15
	Bodies Corporate (Indian)	20,750,453	0.24
	Non-Resident Indians	4,921,844	0.06
	Others	60,795,632	0.70
	Individuals	169,014,666	1.93
	<b>Total</b>	<b>8,735,558,329</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 8,735,550,637 Equity Shares of the Company constituting over 99.99% of the issued, subscribed and paid-up share capital were held in dematerialised form as on March 31, 2019.

## 18. Outstanding GDRs/ADRs etc.

There are no outstanding GDRs/ADRs or Warrants or any Convertible Instrument as on March 31, 2019.

## 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 corporate

office address for any assistance:

Mr. Pankaj Kapdeo  
Company Secretary  
Vodafone Idea Limited  
Birla Centurion, 10th Floor  
Century Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400 030  
Tel: +91-9594003434  
Fax: +91-22-26527080  
E-mail: shs@vodafoneidea.com

## 22. Credit Ratings

The credit ratings outstanding for various instruments of the Company as on March 31, 2019 are as under:

Rating Agency	Instrument	Rating
<b>As on 31 March 2019</b>		
Care Ratings	Bank Facilities (Long Term)	CARE AA- (Negative)
	Non Convertible Debentures	CARE AA- (Negative)
	Bank Facilities (Short Term)	CARE A1+
	Commercial Paper	CARE A1+
Brickworks	Non Convertible Debentures	BWR AA- (Negative)
	Commercial Paper	BWR A1+
India Ratings	Non Convertible Debentures	IND A+ (Rating Watch)
	Commercial Paper	Withdrawn
CRISIL	Bank Facilities (Long Term)	Withdrawn
	Non Convertible Debentures	CRISIL A+ (Negative)
	Bank Facilities (Short Term)	Withdrawn
	Commercial Paper	Withdrawn

## 23. Other Useful Information

### (a) Unclaimed Dividend

Under Section 124(5) of the Companies Act, 2013, dividends that are unclaimed/un-paid for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Since, the Company declared its maiden dividend in September

2013 for Financial Year 2012-13, no unclaimed dividend was due for transfer to IEPF during the Financial Year 2018-19. The Company sends periodic reminders to the concerned shareholders advising them to lodge their claims with respect to unclaimed dividend.

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

Financial Year	Date of Declaration of Dividend	Dividend Declared per share (in ₹)	Due for transfer to IEPF
2012-2013	16/09/2013	0.30	21/10/2020
2013-2014	26/09/2014	0.40	31/10/2021
2014-2015	28/09/2015	0.60	02/11/2022
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 Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of un-paid and un-claimed amounts lying with the Company as on December 22, 2018 (date of last Annual General Meeting) on the Company's website at [www.vodafoneidea.com](http://www.vodafoneidea.com) and on the website of the Investor Education and Protection Fund Authority at [www.iepf.gov.in](http://www.iepf.gov.in).

### (b) Transfer of Shares to Investor Education and Protection Fund:

Pursuant to the provisions of section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the rules"), all shares in respect of which dividend has not been en-cashed or claimed by the shareholders for seven consecutive years or more, has to be transferred by the Company to the demat account opened by the IEPF Authority. As the time period of seven years has not yet lapsed since, the Company declared its maiden dividend in September 2013 for Financial Year 2012-13, no shares are due to be transferred by the Company.

### (c) 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.

**(d) 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 24th Annual General Meeting forming part of this Annual Report.

**(e) 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 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, 2018	74	17,166
Number of shareholders who approached to the Issuer / Registrar for transfer of shares from suspense account during the Financial Year 2018-19	1	344
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2018-19	1	344
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, 2019	73	16,822

The Voting rights on the shares in the suspense account as on March 31, 2019 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, Balesh Sharma, Chief Executive Officer and Akshaya Moondra, Chief Financial Officer, of **Vodafone Idea Limited** ('the Company'), to the best of our knowledge and belief, hereby certify that:

- a) We have reviewed the financial statements and cash flow statements of the Company for the year ended March 31, 2019 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, 2019, 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 : July 26, 2019

**Balesh Sharma**  
Chief Executive Officer

**Akshaya Moondra**  
Chief Financial Officer

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## Declaration

As provided under the Securities and Exchange Board of India (Listing Obligations 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, 2019.

Place : Mumbai  
Date : July 26, 2019

**Balesh Sharma**  
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

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 (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 31<sup>st</sup> March, 2019 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	Kumar Mangalam Birla	00012813	20/06/2006
2	D. Bhattacharya	00033553	31/08/2018
3	Ashwani Windlass	00042686	31/08/2018
4	Krishnan Ramachandran	00193357	27/12/2018
5	Arun Kannan Thiagarajan	00292757	02/09/2006
6	Arun Adhikari Kumar	00591057	31/08/2018
7	Ravinder Takkar	01719511	31/08/2018
8	Suresh Choithram Vaswani	02176528	08/02/2019
9	Neena Gupta	02530640	17/09/2018
10	Himanshu Kapania	03387441	01/04/2011
11	Thomas Reisten	06900067	31/08/2018
12	Vivek Badrinath	07319718	31/08/2018

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.

**Place:** Ahmedabad  
**Date :** July 24, 2019

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

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

### The Members of

#### Vodafone Idea Limited

1. The Corporate Governance Report prepared by Vodafone Idea Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchange.

#### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of

Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2019 and verified that atleast one woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following meetings held from April 1, 2018 to March 31, 2019:
    - (a) Meeting of Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting;
    - (d) Extra Ordinary General Meeting;
    - (e) Nomination and Remuneration Committee;
    - (f) Stakeholders Relationship Committee;
    - (g) Corporate Social Responsibility Committee;
    - (h) Risk Management Committee;
    - (i) Capital Raising Committee;
    - (j) Finance Committee; and
    - (k) Securities Allotment Committee;

- v. Obtained necessary representation and declarations from directors of the Company including independent directors; and
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

### Other matters and Restriction on Use

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

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Prashant Singhal**

Partner

Membership Number: 93283

UDIN: 19093283AAAABE2602

Place : Mumbai

Date : July 26, 2019

## Business Responsibility Report

### About this Report

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates top 5,000 listed entities based on market capitalization on the BSE and NSE, to include Business Responsibility Report as part of the Annual Report describing the initiatives taken by the Companies from Environmental, Social and Governance perspectives.

This Business Responsibility Report, is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides general information about the Company and its business responsibility as required by SEBI.

The following five sections cover disclosures as per the SEBI suggested BRR framework.

### Section A: General Information about the Company

S. No.	Description	Information
1	Corporate Identity Number	L32100GJ1996PLC030976
2	Name of the Company	Vodafone Idea Limited ( <i>Formerly Idea Cellular Limited</i> )
3	Registered address	Suman Tower, Plot No. 18, Sector 11, Gandhinagar - 382 011, Gujarat
4	Website	www.vodafoneidea.com
5	Email Id	shs@vodafoneidea.com
6	Financial year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecommunications services Group: 9984 Class: 99841 Sub-class: 998413
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Vodafone Idea Limited is India's leading telecommunications services provider. The Company provides pan India Voice and Data services across 2G, 3G and 4G platform. With the large spectrum portfolio to support the growing demand for data and voice, the Company is committed to deliver delightful customer experiences and contribute towards creating a truly 'Digital India' by enabling millions of citizens to connect and build a better tomorrow. The Company is developing infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings, conveniently accessible through an ecosystem of digital channels as well as extensive on-ground presence.
9	Total number of locations where business activity is undertaken by the Company	
	i Number of International Locations (provide details of major 5)	None
	ii Number of National Locations	Company has its business activities and operations spread across the country
10	Markets served by the Company – Local/ State/National/International	The Company serves the Indian markets

## Section B: Financial Details of the Company

S. No.	Description	Information
1	Paid up capital (INR)	The paid-up equity capital of the Company as on March 31, 2019 is ₹ 87,35,55,83,290/- comprising of 8,73,55,58,329 Equity Shares of ₹ 10/- each.
2	Total Turnover	₹ 379,321 Mn
3	Total profit / (loss) after taxes (INR)	₹ (140,560) Mn
4	Total spending on corporate social responsibility (CSR) as percentage of profit after tax (%)	As the average net profits calculated for last three financial years is negative, the Company is not obligated to spend on CSR activities for the financial year 2018-19. However, believing on giving and caring for the underprivileged and inclusion of all, the Company spent ₹ 15 Mn towards CSR activities during FY 2018-19.
5	List of activities in which expenditure in 4 above has been incurred	The projects implemented during FY 2018-19 are:
		- Girl Child Education - Vidya Har Beti Ka Adhikar
		- Digital & Economic Empowerment of Women
		- Swacchh Iconic Place, Somnath Temple under Swacchh Bharat Mission Program
		During the year 2018-19 the Company's CSR initiatives positively impacted the lives of around 1.11 lakh people across nine states through multiple initiatives undertaken in the domains of education, sustainable livelihood and swacchh Bharat abhiyaan

## Section C: Other Details

S. No.	Description	Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has thirteen subsidiary companies, the details of which have been provided in the Director's Report.
2	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Company engages and positively encourages its subsidiary companies to participate in its Business Responsibility initiatives. The Company's own comprehensive code of conduct policy guides all its subsidiaries and makes sure that they adhere to the highest levels of ethical and transparent business practices. Pursuant the merger of Vodafone India Limited and Vodafone Mobile Services Limited with the Company with effect August 31, 2018, the Company is in process of re-organizing its corporate structure considering the large number of subsidiaries inherited pursuant to merger.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company while onboarding its suppliers/ distributors ensure alignment and compliance to all business responsibility (BR) expectations of Vodafone Idea. Further, they are encouraged to follow the concept of being a responsible business. More than 60% of the existing suppliers and distributors are compliant with the norms for Business Responsibility. For new suppliers and distributors onboarded, compliance stands at 100%

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

#### a) Details of the Director/Director responsible for implementation of the BR policy/policies

	Upto August 30, 2018	With effect from August 31, 2018
DIN Number	03387441	07783637
Name	Mr. Himanshu Kapania	Mr. Balesh Sharma
Designation	Managing Director	Chief Executive Officer

#### b) Details of BR head

Description	Information
DIN Number (if applicable)	Not Applicable
Name	Mr. P. Balaji
Designation	Chief Regulatory & Corporate Affairs Officer
Telephone number	+91-11-23210134
Email-id	<a href="mailto:shs@vodafoneidea.com">shs@vodafoneidea.com</a>

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility, as listed below:

- P1** – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** – Businesses should promote the well-being of all employees.
- P4** – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** – Businesses should respect and promote human rights.
- P6** – Businesses should respect, protect, and make efforts to restore the environment.
- P7** – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** – Businesses should support inclusive growth and equitable development.
- P9** – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

## 2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N)

S. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	-	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Yes, the policies conform to aspects of the nine principles of the National Voluntary Guidelines for Business Responsibilities (NVGs)								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	<p>Vodafone Idea's Sustainability Committee is made up of the Company's Executive Committee (EC)/National Leadership Team (NLT) chaired by the CEO or and all top Management (CXOs) representing every Function including the Chief Regulatory &amp; Corporate Affairs officer who is the designate Chief Sustainability Officer</p> <p>Committee members ideate and oversee sustainability governance across the company, own the policies, accelerate progress and streamline the successful adoption of new sustainability related processes. The Management Committee (MC) comprising all Circle Heads are apprised and their inputs taken into consideration before rolling out any program.</p> <p>Cross-functional thematic Sustainability Committees and Sub committees at the Corporate level - Senior and Middle Management Nominees from all functions assist the EC and MC. The entire process is coordinated by the full time Sustainability Officer/ SME (Subject Matter Expert) who is also the single point of contact (SPOC)</p> <p><b>Site Sustainability Committee / Working Groups</b></p> <p>Vodafone Idea has identified site level representation to ensure adherence to key identified responsible stewardship focus areas such as tracking all Occupational Health &amp; Safety incidents; tracking NWS and facility level energy consumed and GHG (Green House Gas) emitted; compliance to NWS EMF radiation norms; tracking all Waste (including E Waste) generated and disposed at the site level etc.</p> <p>A Sustainability Evangelist Program being rolled out at the Circle level is also adding value to realize the overall Responsible Stewardship targets being set. The focus is to implement several site level projects towards identifying and achieving the respective business sustainability goals</p>								
6	Indicate the link for the policy to be viewed online?	View restricted to employees, other than CSR Policy and Code of Conduct.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to all relevant stakeholders of the Company. The Company's communication with internal and external stakeholders on such matters is a continuous process.								
8	Does the company have in-house structure to implement the policy/policies?	<p><b>Vodafone Idea's Sustainable Business Vision</b> is "To be the most admired telecom company following sustainable business practices, and creating long term stakeholder value by balancing economic growth with responsible environmental practices and societal interests."</p> <p>The <b>Sustainability Organogram of Vodafone Idea</b> includes:</p>								



S. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
		<ul style="list-style-type: none"> <li>Executive Committee (EC)/National Leadership Team (NLT) chaired by CEO comprising of all CXOs leading from the front. The EC deliberate and drive sustainability governance of the company and ensure efficient adoption of new sustainability processes and accelerate its progress</li> <li>Chief Regulatory &amp; Corporate Affairs Officer is the designate Chief Sustainability Officer (CSO) with Senior VP (Corporate Communication &amp; Sustainability) as the Sustainability Champion.</li> <li>Sustainability Officer/ Subject Matter Expert (SME) drives all companywide initiatives with HoD level SPOCs nominated from all Functions</li> <li>Thematic Cross Functional Teams (CFT) measure and manage sustainability focus areas across the Company.</li> </ul>								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	<p>The company intends to establish a robust Sustainability Framework of Policies, Technical Standards, and Guidance Notes based not just on the local laws but also on leading International standards</p> <p>The Company is publishing regular (Bi annual) dedicated Sustainability Reports as per international standards from FY16. It's first (FY16) and most recent (FY18) Sustainability Reports aligned to GRI G4 Guidelines are already in public domain.</p>								

Following policies are adopted by the Company:

- 1 Code of Conduct
- 2 Energy & Carbon Management Policy
- 3 Policy on Mission, Vision, Values
- 4 Policy on prevention of Sexual Harassment
- 5 Human Rights Policy
- 6 Corporate Social Responsibility Policy

**2a. If answer to S. No. Against any Principle is 'No', please explain why?**

S. No.	Principle	Response
1	Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	The Company plays an important role in advocating issues of the telecom sector and promote a progressive and fair telecom policy. The senior management of the company actively participates in various industry fora and is involved with various stakeholders for discussions regarding formulating new policies, reviewing and modifying relevant policies (described later in the report). The Company currently does not have a stated policy on advocacy, however, it continues to monitor and follow the business and regulatory environment.

## Section E: Principle-wise Performance

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Vision, Mission and Values adopted by Vodafone Idea Limited, governs and guides all business activities and stakeholder interactions in the company. Company's vision is to create world class digital experiences to connect and inspire every Indian to build a better tomorrow. The five core values of Speed, Digital first, Trust, Bold and Passion embodies the spirit of our brand. It has helped us build our culture that define how we behave with our employees, customers and partners. Values serve as the guiding principles for every thought and action of the company.

Vodafone Idea adopts a straightforward and open approach, to build a culture that fosters trust. It is the basis for all its dealings and interactions with its customers, employees, suppliers, partners, shareholders, communities and the government. Vodafone Idea is committed to taking fair and honest decisions by following the highest standards of professionalism and business ethics. The Company has a sound consequence management process in place to maintain checks and balances on these very values and policies.

Moreover, all Board Members and senior management personnel affirm their compliance to the Code of Conduct that adheres to the provisions of SEBI (Listing Obligations and Disclosure Requirement), Regulations 2015. The Code also enshrines the three fundamental principles of good corporate governance, good corporate citizenship and exemplary personal conduct.

As a part of code of conduct, all employees are expected to engage with each other in a dignified manner and respect diversity. Integrity in personal conduct, conduct at work, conflict of interest, and interface with the external world are all covered under the code.

Vodafone Idea is sensitive about transparent and timely communication in order to yield positive results and take faster decisions thereby enhancing the credibility of the management.

#### SEBI – BRR Questionnaire Responses for Principle 1:

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No.**

**Ans:** No

**2. Does it extend to group/joint ventures/suppliers/contractors/NGOs/Others**

**Ans:** Vodafone Idea has adopted its own code which addresses the aspects of ethics, bribery and corruption.

The five core values Speed, Digital, Trust, Bold, and Passion – have been adopted across Vodafone Idea including the employees of its subsidiaries. In addition, the Company's vendor/supplier contracts include clauses on ethical behavior, bribery and corruption.

**3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

**Ans:** There are no outstanding complaints for FY 2018-19. Vodafone Idea has a mechanism in place for receiving complaints from stakeholders and in turn a robust process for their satisfactory investigation and disposal.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

At Vodafone Idea, diligent efforts are on towards resource and waste optimization, thus striving towards a responsible supply chain. FY18 was a year of consolidation in Telecom Industry. Due to revenue and resource pressures, a lot of swap in Networks was planned and offices were improved. Accordingly the theme devised for managing Vodafone Idea's Supply Chain for FY19 was: 3R's of operational efficiency - Reduce, Reuse and Recycle - This theme is of particular significance to ensure that excesses of any nature do not occur and assets are optimally utilized. The Company continues to strive for extending the useful life of all equipment and minimize scrap generation.

Compliance on EMF radiation related regulation is another business priority at Vodafone Idea. The Company has made significant financial investment in the purchase of EMF monitoring equipment and is compliant with existing directions/ orders of the Department of Telecommunications (DoT). The Company is proactively engaged in public education initiatives led by the Cellular Operators Association of India (COAI) on the subject of EMF. Vodafone Idea continues to strengthen its internal systems and processes to remain EMF compliant. Resources for ensuring compliance have been appointed in all the Circles. Vodafone Idea has a dedicated team of senior officials who engage with external and internal stakeholders for awareness and education on EMF. As specified by DoT, the Company works closely with the COAI on the [www.tarangsanchar.gov.in](http://www.tarangsanchar.gov.in) (EMF portal) to update data related to Idea Base Transceiver Stations (BTSs) operating across the country. The Hon'ble Telecom Minister launched the portal in 2017 to disseminate information regarding electromagnetic fields (EMF) from all installed BTSs of all telecom service providers to the public.

**SEBI – BRR Questionnaire Responses for Principle 2:**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

**Ans:** Following are examples of the Company’s product / service features that incorporate the aspect of environmental conservation:

- **Dynamic SIM Allocation Platform :** - VIL has implemented the “Dynamic SIM Allocation” platform on a PAN India Basis. This will significantly reduce the wastage of SIM cards, since the cards can be reused in any circle now.
- **Reuse of churned SIM cards and utilization of non-moving SIM-** Approximately 2.5 lakh SIM cards are churned per month in Karnataka circle only. These were reutilized post implementation of national SIM cards voiding the possibility of the SIMs becoming scrap. This initiative was implemented in 11 other circles. Based on the marketing projection NMNP SIM cards were procured and they got obsolete. Now the Company has changed the SIM category in NSMS from NMNP to Regular Combo SIM Cards. This helped in consumption of 5 lakh obsolete SIM cards in one circle only. This initiative was replicated in 11 different Circles.
- **SUK Optimization - (5 SIM in One KIT) -** Packaging and artwork standardization for SIM cards has helped in reduction of wastage of kits. Now five SIM cards are packaged in 1 kit.
- **Digitization of Welcome Letter -** This initiative was implemented in Delhi Circle and replicated subsequently pan India to 11 other Circles. This initiative resulted in a savings of almost 22 ton virgin paper, which is equivalent to saving 371 trees.
- **Scrap Management Module –** In the past, scrap disposal was governed by a manual system operated through paper work only. Introduction of a web based scrap disposal Module has reduced the turn-around time of approval processes considerably. Further, it has helped in providing better visibility of the position of each scrap disposal proposal. This IT automated initiative has led to a savings of approximately 5,100 A4 sheets, which is equivalent to almost 45 kg wood.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).**

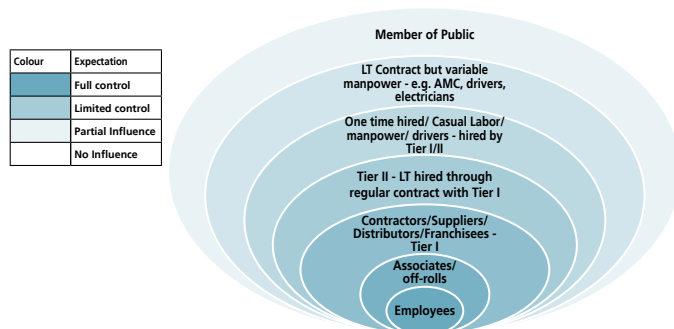
**(i) Reduction during sourcing / production / distribution achieved since previous year throughout the value chain; (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year:**

**Ans: Digitization of Welcome Letter -** This initiative has incurred a savings of almost 22 tons of virgin paper, equivalent to saving 371 trees.

**Introduction of a Scrap Management Online Module -** This initiative has led to a savings of approximately 5100 A4 sheets which is equivalent to almost 45 kg wood

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

**Ans:** With firm belief that sustainable development cannot be achieved with mere focus within own boundary, the Company has forged meaningful and impactful partnerships with its vendors and partners to mandate HSW across their organizations as well. The HSW circle defines the level of influence and related HSW controls across the different layers of the supply chain of VIL.



HSW was also embedded into VIL supply chain management system –

- Suppliers are screened on basis of HSW criteria before selection for doing any high risk work as elucidated above.
- Mandatory Health & Safety conditions are incorporated into every contract and signed off by high risk suppliers.
- A Health and Safety Plan is submitted by the suppliers at the time of agreement and monitored for compliance during the entire tenure of the agreement through monthly reviews. High Risk supplier meets were conducted across all circles covering total 2226 numbers of suppliers.

Focus on supply chain also involved HSW integration into logistics management:

- All warehouse premises were inspected for compliance to VIL set standards and corrective actions were taken
- Personnel working in warehouses were imparted job specific trainings in terms of fire safety, material handling, driving of material handling equipment e.g. fork lift trucks, stackers etc.
- Every inbound or outbound vehicle was inspected at the warehouses as per VIL standard checklist before commencement of a journey.
- Furthermore before embarking on journey, all material transportation drivers for both inbound and outbound vehicles were trained on principles of defensive driving at the warehouses using VIL defined standard module. During the year 4107 number of drivers were trained across all warehouses.
- Every journey undertaken exclusively for VIL business purpose is managed for HSW controls. VIL developed and implemented a software for automation of secondary transportation operations at all warehouses. This software enables warehouse teams by proposing the shortest and economical route for transportation, consolidation of multiple trip to single destination to a single trip and monitoring of volumetric efficiency. In order to monitor drivers' behaviour during the journey, installation of GPS based tracking system in both inbound and outbound vehicles is progressively underway for ensuring safe journey management.

Agreements signed with channel partners, distributors and retail franchisee owners also included clause on financial / welfare compensation for their employees in case of injury, or in case of a fatality, the welfare / financial compensation of the individuals' family.

**4. *Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?***

**Ans:** VIL has more than 7,500 vendors through which procurement of various goods and services are being done and more than 99% procurement is being done from local vendors (based in India). Most procurement activities are carried out at local offices in all states conducting business transactions with local vendors.

**5. *Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.***

**Ans:** The major concern for any telecom Company with regard to waste is the volume of E-waste generated. The industry has grown over four generation of technology changes and so has the associated infrastructure. The growing infrastructure has also increased the volume of e-waste generated year on year. At Vodafone Idea, we have a clear directive of taking the material through stages of screening before declaring any material scrap. This screening process focusses on exploring reusability and recyclability of the material and looking for possible ways to prevent such scrap generation in future. Once a material is declared scrap, a designate team approves for final disposal. The concerned function then ensures that the declared scrap is channelized to authorized collection centers or registered dismantler(s) or recycler(s) or is returned to the pick up or take back services provided by the producers (original manufacturers). Only 0.1% material has been declared scrap in FY19.

**Principle 3: Businesses should promote the wellbeing of all employees**

Vodafone Idea with its strong focus on human resources has set in a culture of **Simplicity, Fairness** and **Trust**. It is our endeavor to create a thriving, engaged, future fit great place to work. Employee wellbeing is at the core of creating such a culture.

All our policies and interventions are designed keeping these pillars as the bedrock. Speak up, Flexible working hours, POSH, Employee assistance program, Reach home safe, Extended maternity benefits, Employee social network platform (workplace), Employee engagement interventions, Regular leadership connect sessions etc. are some interventions which have helped us stay connected with employees. At the same time the Company offers flexibility to the employees to maintain a work life balance while giving their 100% at work.

Telecom is about connectivity and to keep people connected, there is someone risking his/her life while climbing a tower, while working on electrical system or while working in the field, driving either a car or a two-wheeler. Basis lineage from both the Groups where people centricity is a way of doing business, unflinching commitment towards Health, Safety

and Well-being (HSW) of each and every individual impacted by the organization’s operations was introduced as a core element in VIL Culture of Care. Without confining the sphere of influence of HSW to the boundary of the organization, concept of 1@risk was introduced – VIL decided to hold itself responsible for 220,000 people in its ecosystem who work for or on its behalf through channel partners, distributors, vendors, partners or franchisee owners. The New Leadership team made a promise: “We shall not do business by putting anyone at risk”.

The year witnessed

- unprecedented scale of integration with multiple moving parts
- concerted efforts towards identifying the best practices of both the Groups
- adopting and harmonizing diverse standards, protocols, and
- building a common culture and framework of care resting upon SMART governance and execution intensity

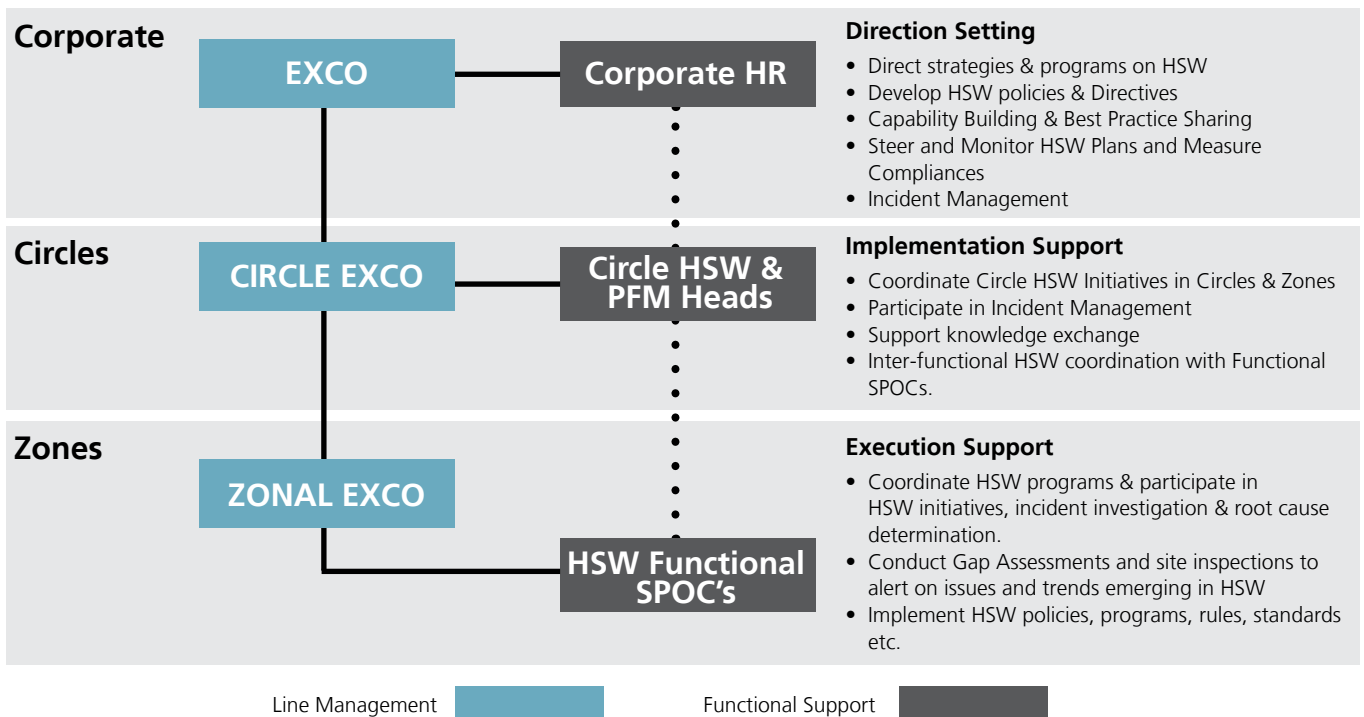
A three pronged approach was formulated for integrating HSW into business across all functions in terms of People, Processes and Properties (Equipments and Facilities). VIL takes into account the safety of each and every equipment

and premise during both design as well as operations/ maintenance phase. During the consolidation of operations, HSW design parameters played significant role in terms of selection of office premises to be retained – third party audits too were conducted to check compliance levels of some of these premises.

The foundation of VIL HSW framework was laid through the establishment of HSW Policy signed by the CEO and setting the expectation for all that working safely is a condition of employment and that all employees including line managers shall be responsible for effective implementation of the HSW systems & processes. The foundation was further strengthened through the pillars of nine Absolute Safety Rules, addressing the high risks owing to operations (viz. work at height, electrical work, underground operations, two wheeler riding and four wheeler driving) and made non-negotiable for all 1@risk.

Since September 2018, 36 precious lives were saved owing to adherence to Absolute Safety Rules. In order to delineate the framework of control procedures for addressing the high risks, 6 standards were rolled out – Work at Height, Electrical Safety, Road Safety, Street / Underground Work, Lifting Operations & Incident Management.

The following framework of governance was established with continuous focus on review and improvement:



Organization wide approach to health and well-being on the other hand was designed to ensure physical, emotional, financial, digital and social well-being of employees; ensure a productive and efficient work force.

The organization established and fostered a belief in zero tolerance for non-compliance - a stringent consequence management program was introduced to investigate every incident or violation related to breach of Absolute Safety Rules. The findings of such investigations are transparently communicated so that all can learn and improve further. When required, VIL does not hesitate to even part ways with employees, channel partners, or suppliers if they violate the Absolute Safety Rules, irrespective of their seniority or importance. During the year, 25 distribution sales executives were terminated owing to violation of one or more of these rules.

Given the nature of VIL business, the geographical span of its operations and the high risk jobs involving electricity, height, street-work / underground work, lifting operation or highway travel during dark hours, VIL made it imperative for all employees and partners to ensure that for undertaking any high risk job, the right controls are in place in terms of people, property and process. With this objective, permit to work for aforementioned high risk jobs, was instituted and mandated for all VIL employees, employees of vendors, contractors and sub-contractors working for or on behalf of the organization.

In order to build capacity for positive safety leadership and ownership across functions and each layer of VIL family, safety leadership trainings were undertaken by Corporate HSW for all Vertical Heads at Circle locations including Business Heads and HSW Champions of all 18 circles. Furthermore,

- All zonal managers were onboarded along with their direct reports,
- Based on exposure to job specific risks, standard training programmes, some in-house and some driven through external agencies were introduced and trainings imparted– Electrical – around 970 technicians; work at height – around 8000 climbers; Road safety – around 47,000 two wheeler riders, around 6600 full time employees driving four wheelers, around 800 professional drivers trained on Defensive Driving.
- Every 1@risk individual is onboarded on basic aspects of HSW using standard modules defined by Corporate HSW. More than 136,000 1@risk individuals were inducted through this basic onboarding programme.

Several cultural assimilation and communication programs were run throughout the year. Absolute Safety Rules were sponsored by EXCO and video messages were rolled addressing all 1@risk. As a step towards positive safety culture, concepts of Senior Management Tours and multiple forms of individual reward programmes were rolled out. Individual rewards included:

- on spot recognition of positive safety behaviour of 1@risk through issue of 'Thank You Card' by circle leadership team during their regular engagements.
- logistic vehicle drivers' and transportation contractors' recognition for regular adherence to VIL Standards through 'Project Saarthi'.

Aligned with the organizational goal of digitization, specific interventions were made for digitizing HSW governance too. Basic HSW onboarding of all full time employees was undertaken through a gamified module on VIL Code of Conduct residing on VIL digital learning platform. mSafe, a mobile application was launched to ensure all 1@risk individuals both on-roll employees as well as off-rolls are covered for easy monitoring and governance. This application acts as the central repository of data of all individuals working for VIL whether a full time on roll employee or a distributor/ channel partner/ vendor employee (around 136,000 heads) including risks they are exposed to, mode of transportation, compliance on standard control measures. It also provides a platform for doing line manager checks and safety tours. Furthermore, an android mobile based automation tool called Cellsite Inspection Automation Tool (CIAT) was established to record planned inspection & issue of permit to work in electronic form and enabling pan India coverage.

During the year, 1 precious life of contract staff was lost in an unfortunate incident – incident involved a contract worker falling from height. The incident was investigated in detail, root cause was identified in terms of lapse in management controls and nation-wide targeted action plans were implemented and monitored for closure.

VIL management framework for HSW is subject to proactive scheduled review as well as reactive review basis reassessed risk in order to ensure its long term success and sustenance. In order to gauge the status of HSW implementation against VIL Standards, check on-ground compliance with respect to people, process and premises and to provide support to circles, Corporate HSW team continued to undertake scheduled as well surprise visits to various zonal locations and engage with partners and their employees. Some of the

standard tool-kits that were introduced during the year as a part of the HSW governance architecture, included:

- Monthly HSW dashboard with monitoring of key performance indicators (both leading as well as lagging)
- Monthly HSW Review meetings at Circles through identified safety councils
- Monthly reviews at Corporate through Advisory Committee formed (with representation from Circle and Corporate)

**SEBI – BRR Questionnaire Responses for Principle 3:**

**1. Please indicate the total number of employees:**

**Ans:** The Company has 13,520 regular employees as on March 31, 2019

**2. Please indicate the total number of employees hired on temporary/contractual/casual basis:**

**Ans:** The Company has 12,270 employees on temporary/contractual/casual basis as on March 31, 2019

**3. Please indicate the number of permanent women employees:**

**Ans:** The Company has 2,045 permanent women employees as on March 31, 2019.

**4. Please indicate the number of permanent employees with disabilities**

**Ans:** Five permanent employee with some physical disability are employed by the Company

**5. Do you have an employee association that is recognized by management?**

**Ans:** The Company has no employee association.

**6. What percentage of your permanent employees is members of this recognized employee association?**

**Ans:** The Company has no employee association.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

**Ans:** There have been 16 cases of POSH reported in FY 18-19, including erstwhile Vodafone India Ltd., which has since been amalgamated with the Company. In all the cases, appropriate action has been taken. There have been no cases reported relating to child labour, forced labour, involuntary labour. There are two pending cases as of March 31, 2019.

**8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? - Permanent Employees, Permanent Women Employees, Casual/Temporary/Contractual Employees, Employees with Disabilities**

**Ans:** Given the business context and expected behaviors, the change management training was initiated which covered leadership teams across all circles. Living the value of digital, Vodafone Idea mobile learning app was launched in the month of March 2019. All employees have completed the code of conduct module on the VIL mobile learning app by April 2019.

There are distinct segments for learning and development initiatives:

1. Leadership Development Programs for Circle Business Heads and Corporate HODs
2. Leadership Development Programs for CLT
3. Talent development
4. Young leaders’ development Plan
5. Women Capability Development

To ensure that the Vodafone Idea competencies are built for all employees, the L&D propositions are designed to cater to each career stage of employees.

In order to build capacity for positive safety leadership and ownership across functions and each layer of VIL family, safety leadership trainings were undertaken by Corporate HSW for all Vertical Heads at Circle locations including Business Heads and HSW Champions of all 18 circles. Furthermore,

- All zonal managers were on boarded along with their direct reports,
- Based on exposure to job specific risks, standard training programmes, some in-house and some driven through external agencies were introduced and trainings imparted– Electrical – around 970 technicians; work at height – around 8000 climbers; Road safety – around 47,000 two wheeler riders, around 6600 full time employees driving four wheelers, around 800 professional drivers trained on Defensive Driving.
- Every 1@risk individual is onboarded on basic aspects of HSW using standard modules defined by Corporate HSW. More than 136,000 1@risk individuals were inducted through this basic onboarding programme.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

Vodafone Idea actively contributes to the social and economic development of the communities in which it operates to help build a better, sustainable way of life, especially for the weaker sections of society. The Company recognizes the critical role played by internal (employees) and external (adjudicators, courts, licensors, industry associations, regulators, network operators and subscribers) stakeholders in its sustainability agenda, and strives to align its social, environment and economic performance with stakeholder needs and expectations.

Vodafone Idea is an equal opportunity employer and currently employs 146 differently abled people at its call centers.

The Company is focused on expanding its services in rural areas and promotes schemes such as basic packs starting at ₹ 9 and top-up of ₹ 10 with a minimum recharge of ₹ 35 in order to provide affordable access to communication to the economically disadvantaged population.

Vodafone Idea has set up its rural distribution network to cater to customers far away from the urban centers with its vast variety of services. As of March 31, 2019 the Company's total service center presence is in 8062 stores of which 3934 cater to rural areas.

In order to cater to remote communities, Vodafone Idea organizes camps in rural areas for customers there to easily access its service. The Company has also set up call centers in Tier 2 and Tier 3 cities so as to reach out to the rural customers. Approximately 43% of the call center agents are female as part of gender equality vision.

The Company also provides Interactive Voice Response (IVR) in 17 languages so that customers are able to understand and avail of various services.

Vodafone Idea has launched technology led initiatives aimed at improving information access and quality of life for non-urban communities across the country in several domains - education, agriculture, health and safety, government schemes and employment generation. Details of such initiatives are provided under Principle 8 of this BRR.

**SEBI – BRR Questionnaire Responses for Principle 4:**

**1. Has the company mapped its internal and external stakeholders?**

**Ans:** Yes, Vodafone Idea has mapped its key internal and external stakeholders, which include employees,

licensors, industry associations, regulators, network operators and subscribers.

**2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?**

**Ans:** Vodafone Idea is a pan-India integrated GSM operator offering 2G, 3G and 4G services, and has achieved deep rural penetration. The Company has enhanced network reach and covers 480,000 towns and villages. Vodafone Idea has over 11,100 branded stores and over 1.4 million retail touchpoints to service customers.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

**Ans:** Vodafone Idea recognizes its responsibility for the rural and the economically challenged population of the country and has generated local employment and deployed various rural-focused mobile solutions. The Company makes various efforts towards women empowerment and has initiatives supporting girl child education and driving financial and digital literacy amongst women in rural areas.

**Principle 5: Businesses should respect and promote human rights:**

Vodafone Idea sincerely supports a culture of respect and promotes human rights. The Company is of the firm belief that every employee should be able to live with social and economic dignity and with freedom, irrespective of his nationality, gender or religion. The Company complies with all applicable local, state and national laws regarding human rights and worker's rights wherever it does business.

Vodafone Idea has adopted a Human Rights Policy that reflects respect for human rights and is free from all discrimination and harassment. Reinforcing its dedication to human rights issues, the Company has adopted a Human Rights Policy that outlines the Company's commitment to developing a culture of respect and support for human rights - including diversity in workplace, provision of secure environment for all personnel, proactive communications, and contribution to socio-economic development of communities where the Company operates.

The Company believes in positively influencing the protection of human rights within its sphere of influence. It encourages



and supports its key suppliers and vendors to uphold and create awareness about human rights in their operations.

The Company's key vendor contracts mandate including clauses against use of forced and child labor, worker safety and hygiene and the absence of abuse and intimidation etc.

#### SEBI – BRR Questionnaire Responses for Principle 5:

**1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

**Ans:** The Company's Human Rights Policy is applicable to all employees of the Company and its subsidiaries and suppliers.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

**Ans:** No complaints related to human rights were received in the past financial year.

#### Principle 6: Business should respect, protect, and make efforts to restore the environment

As the global telecom industry grows increasingly cognizant of the fact that it needs to lighten its carbon footprint, Vodafone Idea is one of the leaders in the search for green energy options in India. Efficient power management, infrastructure sharing, use of eco- friendly renewable energy sources, leveraging the latest technology to reach out to a large audience in the most energy efficient manner such as video and teleconferencing, smart logistics, etc. are some of the best practices in Vodafone Idea's network infrastructure and day-to-day business operations. The primary focus of the energy conservation drive has been on reducing energy cost and minimizing environmental impact of the company's operations. The Company is constantly asking its vendors to focus on highest energy efficient category equipment. Based on this principle, 100% of all new telecom hardware procurement in FY 2018-19 comprise of low power consuming telecom hardware. At the same time, modernizing of old equipment into new and energy efficient telecom hardware continues to be a key focus.

In FY 2018-19, Vodafone Idea continued to adopt environmentally sustainable practices in their transactions

with the same foundational objectives laid down as part of Green Idea as well as VInL Energy and Carbon Management Policy.

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

The track record for FY 2018-19 stands as below:

- Over 70% of Vodafone Idea's BTS portfolio - Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS).
- Over 50,000 sites from IP Partners are green sites.
- 2600 indoor sites converted to outdoor sites this FY 2018-19.
- 100% of the telecom hardware procurement comprise of low power consuming telecom hardware.
- RET based generation through PPAs, against Vodafone Idea's consumption is 8.85 MW.

Following initiatives undertaken by the Company in the past continued to run smoothly delivering the intended objectives to utilize alternate sources of energy:

- **Exclusive Solar solutions at over 5000 sites**
- **On-Site Solar implementation:** 25 KW of installed capacity continued to be in operation.
- **Off-Site Renewable Energy (RE) Deployment:** This concept was initiated in FY15 based on Carbon abatement principle and it continued to be in service in FY 2018-19
  - 3 MW Solar PPA (Power Purchase Agreement) in AP - 3.1 Mn Solar Units
  - 1.25 MW Solar PPA in MP - 0.75 Mn
  - 2 MW wind PPA in TNC generating 2.4 Mn wind units.
  - 2 MW solar PPA in Maharashtra has been implemented leading to 0.3 Mn solar units generated.
  - In addition we also have wind PPA at Chennai & hydro PPA at Delhi

**SEBI – BRR Questionnaire Responses for Principle 6:**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

**Ans:** The Energy and Carbon Management Policy extends to all VIL companies and joint ventures with an interest of 51% or more or management control.

**2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

**Ans:** Vodafone Idea is continuing its sustainability journey with special focus on energy efficiency and emission reduction. This ultimately furthers the Company's commitment to address the global environmental issues such as climate change and global warming. The emission levels of the Network is base lined as of FY 2012 and being tracked half yearly. Under this initiative, more than 5000 telecom sites are operational with solar hybrid energy solutions. More Examples of key initiatives are described under Principle 2, 6 and 8 in this section of the business responsibility report.

**3. Does the company identify and assess potential environmental risks? Y/N**

**Ans:** Vodafone Idea has always been sensitive to the environmental impact of Telecom Network operations and has proactively adopted environmental sustainable practices whenever such opportunities were/ are available.

- Renewable energy PPA
- Using renewable energy technologies (RET) for powering towers during grid failure.
- Using energy efficient hardware.
- Leverage Infrastructure Provider Green sites to reduce diesel consumption across our portfolio
- Convert Indoor sites to outdoor to reduce air conditioner usage.

In all such cases, Vodafone Idea adopted only commercially viable models which offered business benefits to all stakeholders involved. Reduction in CO2 emission and reduction in Operating costs were the driving forces in all its initiatives.

Further, Sustainability issues are being added to the Business Risk Register. A dedicated Enterprise Risk Management (ERM) structure is in place

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

**Ans:** Vodafone Idea does not have any project related to Clean Development Mechanism.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc**

**Ans:** Apart from installation of energy efficient hardware, Vodafone Idea through Infrastructure providers has adopted low carbon technologies including green sites, solar hybrid sites, outdoor sites and Renewable PPA. Details of these initiatives are provided above in Section 6.

**6. Are the emissions / waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

**Ans:** Vodafone Idea gives greatest importance to the issue of GHG emissions and waste generated from its operations and follows all pertinent Govt. guidelines to be environment friendly. EMF radiation, and its commitment in this regard is evident from the Company's stringent monitoring systems and financial investment in Emissions testing equipment. All of the Company's network sites are in compliance with the relevant radiation limits prescribed by the regulatory agency.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

**Ans:** There is only one legal notice received from CPCB/SPCB, which is pending as at the end of Financial Year.

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**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

As one of the leading mobile operators in the country, Vodafone Idea advocates policies that can spur socio economic growth as well as the growth of the telecom sector, promoting development, inclusive growth and access to information through programs such as Digital India.

Vodafone Idea is an active player in the following national and international industry associations (either directly or through its subsidiaries):

1. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
2. Federation of Indian Chambers of Commerce and Industry (FICCI)
3. Confederation of Indian Industry (CII)
4. Cellular Operators Association of India (COAI)
5. GSM Association (GSMA)
6. Telecom Sector Skill Council
7. IIMA Idea Telecom Centre of Excellence (IIT-CoE) at the Indian Institute of Management Ahmedabad (IIM-A)
8. Telecommunications Standards Development Society, India (TSDSI)

Through its association with the above bodies, Vodafone Idea actively participates in discussions relating to policy development on several issues pertaining to the telecom industry, including development of a world class communications infrastructure, ease of doing business, Right of Way (RoW) policies & processes, restoration of financial health of the sector, creation of a sustainable investment climate, enabling the evolution and development of emerging technologies such as 5G, IOT/M2M, Data Analytics, Artificial intelligence, and robotics, framework for privacy and data protection, network security, and the public protection and disaster management policies/networks.

Vodafone Idea is represented on various industry fora as Chair of the Assocham National Council on Digital Communications, co-Chair of the FICCI Communication and Digital Economy Committee and a member of the GSMA Public Policy Group. Through its active participation in various industry bodies, Vodafone Idea advocates on various telecom industry issues as also attempts to drive a consensus driven approach to further the Government's vision of a Digital India. The Company through the CEO is on the governing body of Telecom Sector Skill Council.

The Company is also involved in the activities of TSDSI, which is a not for profit legal entity in a PPP mode with participation from stakeholders including Governments, service providers, vendors, manufacturers, academic institutes and research laboratories.

Vodafone Idea is also the principal sponsor of the IIMA Idea Telecom Centre of Excellence (IIT-CoE) at the Indian Institute

of Management Ahmedabad (IIM-A). The Centre came into existence in 2007 as a result of a tripartite Memorandum of Understanding (MoU) between the Company, the DoT, and IIM-A. The Idea Telecom Centre of Excellence, along with other TCoEs, is playing an instrumental role in capacity building and all round growth of the Indian telecom industry. It also serves as a think tank to the Government and industry decision makers.

Vodafone Idea is a key member of the COAI and currently holds the position of Chairman, COAI through its CEO. Its senior executives are Chair/ Co-chair of various Committees of the industry body. Vodafone Idea is also associated with the GSMA and works closely with the association on various industry programs such as making India 5G ready, M2M and standards for E-SIM, spectrum related issues such as identification of globally harmonized bands for IMT, reasonable approach to spectrum pricing, etc.

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#### SEBI – BRR Questionnaire Responses for Principle 7:

1. ***Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.***

**Ans:** Yes.

Vodafone Idea is a member of several key Indian and global industry associations. Some of these are (as mentioned in the paragraph above):

1. Cellular Operators Association of India (COAI)
2. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
3. Federation of Indian Chambers of Commerce and Industry (FICCI)
4. Confederation of Indian Industry (CII)
5. GSM Association (GSMA)
6. Telecom Sector Skill Council)
7. Telecommunications Standards Development Society, India (TSDSI)

2. ***Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others.***

**Ans:** Vodafone Idea is a core member of the COAI. The industry body is the lead interlocutor between the policymaker (DoT), the Regulator (TRAI), and the ecosystem at large. The association has been involved in facilitating a smooth and productive dialogue with the Government on behalf of the operators in the country, on various public policy matters such as formulation of the National Digital Communications Policy 2018, spectrum harmonization, seeking reduction in regulatory levies, guidelines for M2M communications, streamlining of various processes and making them online for ease of doing business, aligning State right of way policies and charges with Central ROW Rules 2016 and automating processes, participating in consultation processes on regulatory framework for OTT Communication players, privacy and data protection bill, addressing EMF related concerns, etc Vodafone Idea along with the COAI has also worked on developing an alternative Digital KYC process for on-boarding subscribers.

Vodafone Idea is also the principal sponsor of the Idea-IIMA Telecom Centre of Excellence (IITCOE), which is actively involved in capacity building and all round growth of the Indian telecom industry.

Vodafone Idea has also participated in various GSMA programs designed for best practice sharing such as its workshop on 5G spectrum bands, E-SIM, Mobile connect, etc. and to promote digital literacy amongst non-data users.

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### Principle 8: Businesses should support inclusive growth and equitable development

Vodafone Idea's, roadmap for Social Inclusion and Equitable Development aims at ensuring maximum people are included and empowered by connecting them to sustainable economic growth. This objective is guided by its four Social Pillars:

1. Bringing Digital Divide and Bringing all underprivileged into digital Presence.
2. Ensuring Inclusion at work
3. Creating opportunity for marginalized section of the society and integrating them to mainstream of the society.
4. Community development and nation building through sustainable development.

Vodafone Idea's objective and contribution towards achieving inclusive growth and equitable development are accomplished by:

- Reaching to unreached people through robust network and far reaching distribution – Vodafone Idea is a fully integrated telecom services provider offering its over 334 million mobile subscribers a choice of national, international and internet services. The Company's services are available in over 480,000 remote towns and villages across India.
- At Vodafone Idea, we realize that Diversity and Inclusion at the workplace helps foster an open and healthy work environment and is critical to our business strategy. We believe Women at various management levels bring plurality, diverse thinking, varied leadership styles and values. To build a diverse internal team we need to focus on creating a supportive ecosystem to hire, engage and retain women talent. We are enabling women in the workforce by taking care of their professional and personal needs depending on their life stage. Hence we have introduced new policies like maternity policy, travel policy, reach home support, flexible hours and remote location etc. Each of which offers more flexibility and comfort to shoulder these life stage demands and be effective at work.

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

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### SEBI – BRR Questionnaire Responses for Principle 8:

1. ***Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.***

**Ans:** Yes.

The key objective under the Company's CSR activities 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. During the reported period, the Company continued the previous programs and carried forward the learnings. Key specified programs /initiatives in pursuit of above policy are as follows:

- **Girl Child Education (*Vidya Har Beti Ka Adhikar*):** The project with an aim to improve learning environment in government schools with focus on girl schools was started in FY 2017-18 by the inhouse circle employees and CSR team. In FY 2018-19 the project was continued in nine States, Gujarat, Andhra Pradesh, Madhya Pradesh, Uttar Pradesh, Bihar, West Bengal, Odisha, Rajasthan and Tamil Nadu covering around 50 schools. Under the initiative classroom, library and computer laboratory were refurnished and water sanitation facilities were provided. To promote digital literacy digital learning platform was set up in schools.
- **Swachh Iconic Place, Somnath Temple under Swachh Bharat Mission Program:** Under the initiative, infrastructure related with water and sanitation have been developed to enhance cleanliness in and around Somnath Temple. Creative messages related to swachhta have been put up at different public places for raising awareness among the people. Mobile toilets have been installed at key places like parking area, resting place etc. battery operated sweeping machine, hydraulically operated heavy duty road sweeper machine, e-dustbin etc. have been installed to maintain cleanliness and hygiene in and around the temple. For proper drinking water facility water ATMs and RO have also been installed. The initiative was implemented by the inhouse CSR team with support of the Ministry of Drinking Water & Sanitation, Gujarat Pavitra Yatradham Vikas Board, Somnath- Veraval Nagarpalika and Managing Committees of iconic sites.
- **Digital and Economic Empowerment of Women (*Roshini*):** The initiative was started in 2016-17 by the in house CSR team with an aim to empower rural women through digital literacy training. During the FY 2018-19, 1000 rural women across three States, Madhya Pradesh, Rajasthan and Bihar were trained to use internet on mobile phone for availing comprehensive services related to healthcare, banking education, livelihood etc. The women trained under the project are using internet in their day to day life activities like availing public services, internet banking, and government schemes for livelihood

opportunities, better agriculture practices, and education content for children etc.

- **Sustainable Transportation:** As Vodafone Idea is relying on Commercial Transport vehicles for transfer of Network equipment's, around 120 vehicles on the road per day (PAN India) ply carrying the company's equipment. In order to ensure maximum compliance and safety on the road and to foster a culture of road safety, the need to engage with Drivers both internally and the wider community was recognized and 'Project Rakshak' - the Safe Drive Campaign, a Defensive Driver Training program was introduced inviting all Drivers from the community including nearby warehouses, villages, etc. Till March 2019, 700 drivers from the community were trained under this programme.

**2. *Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?***

**Ans:** During the reporting period, CSR initiatives were implemented by the in-house CSR team with the support of Company's Circle employees.

The Company was recognized for its CSR initiative by Institute of Directors, Golden Peacock Award for Corporate Social Responsibility 2018, Ministry of Drinking Water and Sanitation for Swachh Iconic Place, Somnath Temple Complex.

**3. *Have you done any impact assessment of your initiative?***

**Ans:** Yes. To measure the impact of the CSR projects, baseline and impact evaluation of the projects are undertaken. Some of the project benefits are as below:

- Learning environment in around 50 schools have been improved. The schools have better library, classroom, water & sanitation facilities, sports facilities, digital learning platform, e-Vidya Kendra has enabled people and students to access offline contents related to education, health, livelihood, school syllabus, agriculture etc.
- Water & Sanitation facilities have been improved in Somnath Temple and its surrounding areas.
- 1000 rural women have learnt the use of internet and are using it in their day to day activities.

**4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

**Ans:** For FY 2018-19, Company's CSR spend was around ₹ 15 Mn.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

**Ans:** Yes. Sustainability and adoption of the initiative by the community are key focus under our all CSR projects. For example e-Vidya Kendra set up under Girl Child Education - Vidya har Beti Ka Adhikar program is being used by the students in schools. The digital learning platform set up in schools is being used by the students for learning improvement and quiz academy to assess the students learning. The water and sanitation facilities provided in and around Somnath temple is being used and maintained by the people and urban local body. Similarly, the women trained under the Roshini project are using internet in their day to day life and are also using it for availing comprehensive services like healthcare, banking, education etc.

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**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

Vodafone Idea keeps Customers at the heart of the business. The Company's focus on Customers is based on its Value Book, which highlights the need for timely response to its internal and external customers; strive to finish before a deadline and to choose the best rhythm to optimize organizational efficiencies.

The Company strives to be the most loved brand by continuously raising the bar in delivering simple, delightful experience and meaningful innovations, through new age technologies. It constantly endeavors to meeting customer needs, adding value and exceeding their expectations.

The Company strongly believes in being ethical about its operations with customers. Hence, it engages with its customers in a transparent manner by displaying all the tariff plans on the web in an unambiguous manner. This information is easily accessible to customers either by telecom circle or by package. Vodafone Idea addresses its customers'

need to be constantly updated about their usage through instantaneous pop-up messages informing them about their data consumption and balance left. The Company also installs its network devices in a way that maintains data integrity, confidentiality and availability while preventing unauthorized use of confidential data.

Vodafone Idea always focuses on meeting and exceeding customer needs. Some innovative initiatives in this regard include a quick and easy way of 'Electronic top-up' for recharging accounts, camps in rural areas for providing education on mobile, and provision of customer care services in vernacular languages. The Company has also introduced several value-added services (VAS) focusing on education, health and family care for rural population. At urban locations, kiosks are set up at select Service Centers to create awareness about data (2G, 3G & 4G) services that the Company offers.

In order to service customers better and to bring in stronger governance in Store operations, concept of company owned company operated neighborhood stores was introduced. Currently, the Company has over 687 company operated large format stores across the country.

Customer satisfaction is of prime importance to the Company. A customer satisfaction study is conducted regularly in order to track the quality of customer experience with company's product and services and to benchmark the company's performance with respect to its competitors.

Vodafone Idea acknowledges the needs of data customers through conducting focused diagnostic study amongst these customers to understand and address their specific network, product, communication and service expectations. Vodafone Idea Loyalty segment customers too are covered through a similar program.

The Company has an additional feedback taken from customers on a daily basis through Touch-point Net Promoter Score (TNPS) wherein, an SMS is sent to customers seeking feedback on the quality of service provided to him after he / she has contacted any of the company's touch points. This on-going Instant feedback from customers helps in improving the company's processes. After the surveys are completed, the results are presented to the senior management team and detailed action plans are prepared specific to all the concerned functions. The same are tracked at periodic intervals to ensure that the execution meets the planning requirements leading to higher customer satisfaction.

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**SEBI – BRR Questionnaire Responses for Principle 9:**

**1. *What percentage of customer complaints/ consumer cases is pending as on the end of financial year?***

**Ans:** Out of the total calls received by the company from customers, approximately 1.23% are related to complaints. 0.55% of the total complaints received during FY 2019 were in an open stage as on March 31, 2019. The rest were closed satisfactorily.

**2. *Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A / Remarks***

**Ans:** The Company adheres to all product labeling and product information requirements as per the law of the land. Transparency in tariff through detailed plans being available on the website for consumers and focus on responsible advertising is the hallmark of Vodafone Idea.

**3. *Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending***

***as on end of financial year. If so, provide details thereof, in about 50 words or so.***

- **Cases related to irresponsible advertising:** There is one case pending in review stage before Advertising Standard Council of India (ASCI) on account of misleading advertisements;
- **Cases related to unfair trade practices (Under Consumer Protection Act):** 317 cases.
- **Cases related to anti- competitive behavior (Under Competition Act):** There is no case pending in relation to anti-competitive behavior as on March 31, 2019.

In the normal course of business, dissatisfied subscribers of the Company generally file cases in consumer protection forums for alleged deficiency in expected level of service by the Company, or before Advertising Standard Council of India (ASCI) alleging misleading advertisements, which the Company defends appropriately.

**4. *Did your company carry out any consumer survey/ consumer satisfaction trends?***

**Ans:** The Company conducts a C-SAT/NPS survey at regular intervals as well as other assessment surveys.

## Independent Auditor's Report

To the Members of  
Vodafone Idea Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Vodafone Idea Limited (formerly known as Idea Cellular Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder,

and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Emphasis of Matter

We draw your attention to note 45(A)(i) of the standalone Ind AS financial statements which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one time spectrum charges. Our report is not qualified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment assessment of intangibles</b> <i>(as described in note 65 of the Standalone Ind AS financial statements)</i></p>	
<p>At March 31, 2019, the carrying value of intangible asset were ₹ 1,300,646 million.</p> <p>Impairment indicators were identified, that gave rise to a risk that intangible assets may be impaired. Consequently, impairment assessment was performed for spectrum assets amongst others that gave rise to the risk of impairment.</p> <p>The inputs to the impairment testing model which have the most significant impact on the recoverable value include projected Earnings before interest, tax and depreciation and amortization (EBITDA), revenue growth rate, discount rates and capital expenditure.</p> <p>The impairment testing model included sensitivity testing of key assumptions, including EBITDA, revenue growth rate, discount rate and capital expenditure.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We read/understood management's assessment of the indicators of impairment and evaluated the significant assumptions adopted.</li> <li>• Specifically, where impairment indicators were identified, we have evaluated the valuation models used to determine the amounts by assessing the key assumptions used by management.</li> <li>• Evaluated the design and operating effectiveness of the key processes and controls associated with the estimation of impairment of intangible assets.</li> <li>• With the assistance of valuation experts, we tested the data and assumptions used by the management and evaluated the adequacy of headroom available for recoverable value by sensitivity analysis. We assessed the adequacy of impairment related disclosures in the financial statements</li> </ul>
<p><b>Claims and exposures relating to litigation from taxation matters and change in regulatory environment</b> <i>(as described in note 45 of the Standalone Ind AS financial statements)</i></p>	
<p>At March 31, 2019, the value of tax and regulatory disputes disclosed as contingent liabilities was ₹ 326,260 million.</p> <p>Taxation, regulatory and litigation exposures have been identified as a key audit matter due to everchanging regulatory environment and significant judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained summary of all tax, regulatory and litigation matters and analysed management's position through detailed inquiries.</li> <li>• Performed walkthroughs and test of controls of the management's risk assessment process for taxation, regulatory and legal matters.</li> <li>• Obtained and read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.</li> <li>• Engaged tax/regulatory specialists to technically assess the tax/regulatory positions taken by management with respect to tax/regulatory litigations.</li> <li>• Inspected the relevant disclosures made within the financial statements to validate they appropriately reflect the facts and circumstances of the respective tax and regulatory exposures and are in accordance with the requirements of accounting standards.</li> </ul>
<p><b>Accounting for business combination and integration cost</b> <i>(as described in note 3 of the Standalone Ind AS financial statements)</i></p>	
<p>Effective August 31, 2018, Vodafone India limited and Vodafone Mobile Services Limited, merged into the Company. The Company accounted for the merger under pooling of interest method.</p> <p>We have determined this to be a key audit matter in view of magnitude of the transaction, complexity involved in selection of accounting policy for merger, significant management judgment involved with respect to alignment of accounting policies, estimates and accounting for integration costs post-merger.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the appropriateness of 'Pooling of interest' method of accounting adopted by the management to account for the merger.</li> <li>• We corroborated management's alignment of accounting policies and estimates by comparing the significant accounting policies and estimates of erstwhile Vodafone India Limited and comparing with the Company's accounting policies and estimates.</li> <li>• We read the merger arrangements/scheme and focused on accounting for non-routine transaction, estimates and judgements in respect of the recognition and measurement of guarantees, indemnities etc.</li> <li>• We performed specific procedures to validate the carrying amount of assets and liabilities merged on August 31, 2018.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• We validated the appropriateness of estimates used in recognition and measurement of integration cost through enquiries and testing of supporting documents.</li> <li>• We inspected the disclosures in respect of this transaction including those disclosures related to significant accounting judgements and estimates.</li> </ul>
<b>Revenue recognition</b> <i>(as described in note 5(a) of the Standalone Ind AS financial statements)</i>	
<p>For the year ended March 31, 2019, the revenue recognised was ₹ 367,668 million.</p> <p>Revenue recognition has been identified as a key audit matter due to complexity of systems in recognizing revenues, constantly evolving pricing with heavily discounted tariffs and operation in highly competitive market place.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Performed walkthroughs and test of controls, assisted by our IT specialists, of the revenue recognition processes and assessed the design and operating effectiveness of key IT and manual controls.</li> <li>• Our audit procedures included evaluating the appropriateness of the Company's accounting policies and assessing compliance with the policies in terms of the applicable accounting standards, including revisions pursuant to implementation of Ind AS 115.</li> <li>• We tested the revenue assurance procedures and reconciliations performed by the management to validate the billing minutes, tariffs and other revenue recognition parameters.</li> <li>• Tested the relevant IT infrastructure and applications that result in generation of various IT reports used for billing and revenue recognition process.</li> <li>• We performed other substantive procedures, including analytics, review of unusual items and trends.</li> </ul>
<b>Recoverability of Deferred Tax Assets</b> <i>(as described in note 58 of the Standalone Ind AS financial statements)</i>	
<p>At March 31, 2019, net deferred tax assets recognised were ₹ 89,351 million.</p> <p>The deferred tax assets recognized includes carryforward losses, unabsorbed depreciation of Rs. 249,474 million. The recognition of deferred tax assets, involves judgement regarding the likelihood of the realization of these assets, in particular whether there will be sufficient taxable profits in future periods that support the recognition of these assets.</p> <p>Given the degree of judgment involved in considering these deferred tax assets as recoverable or otherwise, we considered this to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Our procedures included obtaining an understanding of the process and testing the controls over preparation of the taxable profit forecast.</li> <li>• We performed procedures to test the inputs and assumptions used in the taxable profit forecast against historical performance, economic and industry indicators, publicly available information and including strategic plans.</li> <li>• We inspected the disclosures in respect of the deferred tax asset balances including those disclosures related to significant accounting judgements and estimates.</li> </ul>

### Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as

on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 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;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 45 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Prashant Singhal**

Partner

Membership Number: 93283

Place: Mumbai

Date: May 13, 2019

## Annexure 1 to the Independent Auditor's Report

Annexure referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements'

### Re: Vodafone Idea Limited (formerly known as Idea Cellular Limited) ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except situation of certain network assets in the records maintained by the Company.
- (b) Pursuant to merger, the management has revised its regular programme of physical verification designed to cover all the items over a period of three years. As per the programme, a portion of fixed assets and capital work in progress has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification. During the previous year the Company was in the process of reconciling the physical verification results with the records maintained by the Company, which was completed in the current year. No material discrepancies were noticed on completion of such verification.
- (c) According to information and explanations given by the management and based on the examination of the financial statements/registered deed/transfer deed/conveyance deed/court approved scheme of arrangements or amalgamations, the title deeds of all freehold land, leasehold land and buildings disclosed as property, plant and equipment are held in the name of the Company. In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained by the management, it has conducted physical verification of inventory (other than inventory with third parties) at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to Telecommunication Services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other material statutory dues were outstanding, as at March 31, 2019 for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Type of Tax	Period to which the amount relates	Forum where Dispute is Pending	Amount Involved (Rs in Mn)
The Customs Act, 1962	Custom Duty	2004-05	Assistant Commissioner	6
Kerala Sales tax Act, 1963	Sales Tax	1998-99	Deputy Commissioner of Sales Tax	0
Income Tax Act, 1961	Income Tax	2005-06, 2009-10, 2010-11, 2012-13, 2015-16, 2017-18	Assistant Commissioner of Income Tax	32
Income Tax Act, 1961	Income Tax	1997-98, 2013-16 & 2007-08	Deputy Commissioner of Income Tax	687
Income Tax Act, 1961	Income Tax	2001-18	Commissioner of Income Tax (Appeals)	7,211
Income Tax Act, 1961	Income Tax	2002-06, 2001-02, 2003-04, 2007-15, 2005-06, 2007-08, 2012-13, 2014-15	Income Tax Appellate Tribunal	73,700
Income Tax Act, 1961	Income Tax	1999-03, 2004-05, 2009-11, 2012-13, 2015-16, 2003-04 & 2010-11	Assessing Officer	2,314
Income Tax Act, 1961	Income Tax	2001-05, 2009-13	High Court of Karnataka	15,824
Income Tax Act, 1961	Income Tax	2004-10, 2014-16	High Court of Hyderabad	310
Income Tax Act, 1961	Income Tax	2009-11	High Court of Punjab & Haryana	39
Income Tax Act, 1961	Income Tax	2006-09	High Court of Madhya Pradesh	130
Income Tax Act, 1961	Income Tax	2002-04, 2007-10, 2011-13, 2005-06 to 2009-10 & 2012-13 to 2013-14	Supreme Court of India	336
Income Tax Act, 1961	Income Tax	2003-13	High Court of Gujarat	1,756
Income Tax Act, 1961	Income Tax	2009-10, 2010-11, 2011-12, 2012-13	High Court of Kolkata	175
Bombay sales tax Act 1959	Sales Tax	2000-01	Sales tax Tribunal	44
Central Sales Tax Act, 1956	Sales Tax	2007-08, 2010-11	Joint Commissioner (Appeals)	4
Central Sales Tax Act, 1956	Sales Tax	2008-11, 2013-14, 2015-16	Assistant Commissioner Sales Tax	1
Central Sales Tax Act, 1956	Sales Tax	2008-09	Deputy Commissioner of Sales Tax	4
Delhi Sales Tax Act, 1975	Sales Tax	2002-03	Additional Commissioner (Appeals)	2
Gujarat Sales Tax Act, 1969	Sales Tax	1998-02	State Tax Tribunal	9
Gujarat Sales Tax Act, 1969	Sales Tax	2006-07	Assessing Officer	1
Kerala Sales tax Act, 1963	Sales Tax	1997-98	State Tax Tribunal	0
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	2000-01	CG Appellate Board	0
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	2003-12	Joint Commissioner (Appeals)	2
Delhi Value Added Tax Act, 2004	Value Added Tax	2007-08, 1997-98 to 2010-11	State Tax Tribunal	505

Name of Statute	Type of Tax	Period to which the amount relates	Forum where Dispute is Pending	Amount Involved (Rs in Mn)
Kerala Value Added Tax Act, 2003	Value Added Tax	2005-09	Deputy Commissioner Commercial Tax (Appeals)	1
Kerala Value Added Tax Act, 2003	Value Added Tax	2008-09, 2011-12	Assistant Commissioner Sales Tax	38
Maharashtra Value Added Tax Act, 2002	Value Added Tax	2008-09, 2011-12	Joint Commissioner (Appeals)	15
Rajasthan Value Added Tax, 2003	Value Added Tax	2011-12, 2013-14	Assistant Commissioner Sales Tax	12
The Bihar Value Added Tax Act, 2005	Value Added Tax	2008-14	State Tax Tribunal	41
The Bihar Value Added Tax Act, 2005	Value Added Tax	2016-17	Commissioner	1
The Bihar Value Added Tax Act, 2005	Value Added Tax	2014-15	Joint Commissioner (Appeals)	22
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	2006-07, 2012-13 2008-14, 2017-18	Deputy Commissioner of Sales Tax	22
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	2003-05, 2007-08	High Court of Allahabad	3
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	2011-2013	Additional Commissioner (Appeals)	8
The Finance Act, 1994	Service Tax	2004-05 to 2008-09	High Court of Andhra Pradesh	25
The Finance Act, 1994	Service Tax	1998-99, 2002-03, 2004-07	High Court of Punjab & Haryana	36
The Finance Act, 1994	Service Tax	2004-17	Commissioner of Central Excise & Service Tax	70
Income Tax Act, 1961	Income Tax	2006-10 to 2010-11	High Court of Bombay	11,581
Kerala Value Added Tax Act, 2003	Value Added Tax	2009-10	State Tax Tribunal	0
Kerala Value Added Tax Act, 2003	Value Added Tax	2011-12	Assessing Officer	0
Central Sales Tax Act, 1956	Sales Tax	2011-12	Sales Tax Tribunal	34
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	2004-05	Deputy Commissioner of sales tax	2
West Bengal Value Added Tax Act, 2003	Value Added Tax	2007-08, 2017-2018	State Tax Tribunal	22
The Finance Act, 1994	Service Tax	2003-04	High Court of Kerala	1
Uttar Pradesh Goods and Service Tax Act, 2017	GST	2017-18	Additional Commissioner (Appeals) GST	1
Central Excise Act, 1944	Excise Tax	2004-06	Customs Excise & Service Tax Appellate Tribunal	8
The Finance Act, 1994	Service Tax	2001-02, 2003-15, 2017-18	Customs Excise & Service Tax Appellate Tribunal	23,684
The Finance Act, 1994	Service Tax	2005 -09, 2007-10, 2008-09 2009-10, 2010-11, 2011-12, 2012-13,	Supreme Court of India	1,836
The Central Sales Tax Act, 1956	CST	2007-08 & 2008-09	Joint Commissioner of Sales Tax (Appeal)	1
The Customs Act, 1962	Custom Duty	2001-02 & 2006-07	Adjudicating Authority	46
The Customs Act, 1962	Custom Duty	2007-08, 2017-18, 2018-19, 2001-03 to 2015-16, 2008-10	Commissioner of Customs	155

Name of Statute	Type of Tax	Period to which the amount relates	Forum where Dispute is Pending	Amount Involved (Rs in Mn)
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	2006-07 to 2010-11	Joint Commissioner of Sales Tax (Appeal)	16
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	2005-06	Appellate Tribunal	6
Delhi Value Added Tax Act, 2004	Value Added Tax	2008-09, 2014-15, 2016-17, 2005-06 to 2009-10	Commissioner of Commercial Taxes, (Appeal)	20
The Finance Act, 1994	Service Tax	1999-01, 2003-04, 2005-12, 2008-09, 2010-15, 2011-16, 2012-15, 2012-17, 2014-15, 2015-16, 2015-17, 2010-15 & 2011-13, 2011-13 to 2015-18, 2007-12 & 2015-16, 2006-11, 2008-09, 2011-14, 2012-16	Commissioner of Service Tax (Appeal)	4,755
The Finance Act, 1994	Service Tax	2004 to 2014	High Court of Mumbai	280
The Finance Act, 1994	Service Tax	2004-08, 2004-09, 2007-08 to 2009-10, 2010-14	High Court of Chandigarh	57
The Finance Act, 1994	Service Tax	2004-09	High Court of Karnataka	101
The Finance Act, 1994	Service Tax	2007-09	High Court of Hyderabad	434
The Finance Act, 1994	Service Tax	2004-10, 2008-12	High Court of Delhi	91
The Finance Act, 1994	Service Tax	2004-08, 2008-09	High Court of Madras	8
The Finance Act, 1994	Service Tax	2004-08, 2008-09	High Court of Chennai	159
The Finance Act, 1994	Service Tax	2006-07, 2007-08, 2009-10, 2010-11	High Court of Ahmedabad	107
The Finance Act, 1994	Service Tax	2005-07, 2006-07, 2007-08, 2005-08	High Court of Lucknow	97
The Finance Act, 1994	Service Tax	1995-00 to 2004-06	Additional Commissioner of Service Tax	8
The Finance Act, 1994	Service Tax	2002-03, 2006-09, 2007-09, 2008-10, 2012-13	Assistant Commissioner of Service Tax	37
Gujarat Value Added Tax Act, 2003	Value Added Tax	1998-99, 2006-07	Deputy Commissioner of Commercial Taxes	8
Gujarat Value Added Tax Act, 2003	Value Added Tax	2006-07	Appellate Tribunal	9
Karnataka Value Added Tax Act, 2003	Value Added Tax	2008-09 to 2010-11	Additional/Joint Commissioner Commercial Taxes	236
Kerala Value Added Tax Act, 2003	Value Added Tax	2007-08	Commissioner of Commercial Taxes, (Appeal)	2
Kerala Value Added Tax Act, 2003	Value Added Tax	2015-16	Deputy Commissioner of Commercial Taxes	0



Name of Statute	Type of Tax	Period to which the amount relates	Forum where Dispute is Pending	Amount Involved (Rs in Mn)
Kerala Value Added Tax Act, 2003	Value Added Tax	2012-13	Intelligence Officer Commercial Taxes	0
Kerala Value Added Tax Act, 2003	Value Added Tax	2006-07	Appellate Tribunal	19
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	2014-15	Joint Commissioner of Commercial Taxes	0
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	2010-11	Additional Commissioner Commercial Taxes	5
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	2013-14	Appellate Authority	2
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	2012-13	Appellate and Revisional Board	1
Maharashtra Value Added Tax Act, 2002	Value Added Tax	2013-14	Commissioner of Commercial Taxes,(Appeal)	2
Maharashtra Value Added Tax Act, 2002	Value Added Tax	2001-05	Joint Commissioner of Commercial Taxes	18
Tamilnadu Value Added Tax Act, 2006	Value Added Tax	2007-12	Assistant Commissioner of Commercial Taxes	1
Tamilnadu Value Added Tax Act, 2006	Value Added Tax	2003-04	Appellate Tribunal	0
The Bihar Value Added Tax Act, 2005	Value Added Tax	2008-09 to 2014-15	Appellate Tribunal	46
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	2001-02	Commissioner of Commercial Taxes,(Appeal)	1
The Bihar Value Added Tax Act, 2005	Value Added Tax	2011-12	Commissioner of Commercial Taxes,(Appeal)	0
The Bihar Value Added Tax Act, 2005	Value Added Tax	2005-06 to 2007-08	Deputy Commissioner of Commercial Taxes	2
The Central Sales Tax Act, 1956	CST	2011-12 to 2013-14	Additional Commissioner Commercial Taxes (Appeal)	0
The Central Sales Tax Act, 1956	CST	2014-15	Appellate and Revisional Board	2
The Central Sales Tax Act, 1956	CST	2011-12, 2012-13, 2013-14 to 2014-15	Assessing Officer	9
The Central Sales Tax Act, 1956	CST	2015-16	Assistant commissioner of Commercial Taxes	32
The Central Sales Tax Act, 1956	CST	2010-11 to 2015-16	Commissioner of Commercial Taxes	19
The Central Sales Tax Act, 1956	CST	2011-12, 2013-14	Deputy Commissioner of Commercial Taxes	8
The Central Sales Tax Act, 1956	CST	2007-08 ,2010-11, 2012-13,2012-14,2015-16	Joint Commissioner of Commercial Taxes	50
The Central Sales Tax Act, 1956	CST	2005-06 to 2007-08, 2008-09, 2009-10	Appellate Tribunal	102
The Central Sales Tax Act, 1956	CST	2011-12	High Court of Kolkata	16
The Central Sales Tax Act, 1956	CST	2007-08	Additional Commissioner Commercial Taxes	0
The Central Sales Tax Act, 1956	CST	2011-12, 2015-16	Appellate Authority	7
The Customs Act,1962	Custom Duty	2003-04, 2009-14, 2008-09, 2015-16	Customs Excise & Service Tax Appellate Tribunal	7,145

Name of Statute	Type of Tax	Period to which the amount relates	Forum where Dispute is Pending	Amount Involved (Rs in Mn)
The Customs Act, 1962	Custom Duty	2012-13 ,2013-14 & 2014-15	Assistant/Deputy Commissioner of Customs	4
The Customs Act, 1962	Custom Duty	2001-03	Supreme Court of India	8
The Haryana Value Added Tax Act, 2003	Value Added Tax	2002-03	Assessing Officer	80
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	2005-07,2006-07 ,2009-10	Joint excise and taxation commissioner (Appeal)	1
West Bengal Value Added Tax Act, 2003	Value Added Tax	2012-13	Joint excise and taxation commissioner (Appeal)	1
The Haryana Value Added Tax Act, 2003	Value Added Tax	2006-07, 2007-08	Joint excise and taxation commissioner (Appeal)	10
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	2015-16	Assistant Commissioner of Commercial Taxes	0
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	2008-09 ,2016-17,2016-17	Additional Commissioner Commercial Taxes	26
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	2008-09, 2011-12	Deputy Commissioner of Commercial Taxes	6
The Bihar Value Added Tax Act, 2005	Value Added Tax	2016-17	Joint Commissioner of Commercial Taxes	0
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	2005-06	Joint Commissioner of Commercial Taxes	0
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	2005-06, 2006-08, 2007-08, 2008-09, 2009-10 to 2012-13	Trade Tax Tribunal	128
Tamilnadu Value Added Tax Act, 2006	Value Added Tax	2012-13	Additional Commissioner Commercial Taxes	0
West Bengal Value Added Tax Act, 2003	Value Added Tax	2006-07 to 2014-15	Appellate and Revisional Board	20
West Bengal Value Added Tax Act, 2003	Value Added Tax	2008-09 to 2009-10,2015-16	Joint Commissioner of Commercial Taxes	1
West Bengal Value Added Tax Act, 2003	Value Added Tax	2000-01 to 2002-03,2011-12	High Court of Kolkata	250
West Bengal Value Added Tax Act, 2003	Value Added Tax	2008-09 ,2014-15 to 2015-16	Senior Joint Commissioner of Commercial Taxes	18
Income Tax Act, 1961	Income Tax	2000-01 & 2009-10 & 2011-12	High Court of Delhi	4,711
Income Tax Act, 1961	Income Tax	2012-13 to 2015-16	Dispute Resolution Panel	69,436
Income Tax Act, 1961	Income Tax	2004-05 & 2011-12 to 2012-13	High Court of Rajasthan	41
Income Tax Act, 1961	Income Tax	2006-07 to 2010-11	High Court of Punjab	7
Income Tax Act, 1961	Income Tax	2007-08 to 2008-09 & 2012-13 to 2014-15	High Court of Madras	116
Income Tax Act, 1961	Income Tax	2010-11 to 2016-17	High Court of Telangana	271

Of the above cases, total amount deposited in respect of Income Tax is Rs. 85,033 Mn, Service Tax is Rs. 1,643 Mn, Sales Tax, Value Added Tax and GST is Rs. 308 Mn and Custom Duty is Rs. 352 Mn.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions, banks, debenture holders or government.
- (ix) During the current year, the Company has not raised monies by way of initial public offer or further public offer. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of non-convertible debenture and term loans for the purposes for which they were raised, other than temporary investment of surplus funds that were ultimately utilised for stated end-use.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that during the current year, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements

and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Prashant Singhal**

Partner

Membership Number: 93283

Place: Mumbai

Date: May 13, 2019

## Annexure 2 to the Independent Auditor's Report

of even date on the Standalone Financial Statements of Vodafone Idea Limited

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

We have audited the internal financial controls over financial reporting of Vodafone Idea Limited (Formerly known as Idea Cellular Limited) ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

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

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

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Prashant Singhal**

Partner

Membership Number: 93283

Place: Mumbai

Date: May 13, 2019

## Balance Sheet as at March 31, 2019

Particulars	Notes	₹ Mn	
		As at March 31, 2019	As at March 31, 2018 (Refer Note 43(vi))
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	493,411	244,543
Capital work-in-progress		23,325	6,513
Other Intangible assets	9	1,273,203	552,308
Intangible assets under development	9	27,443	29,340
Financial assets			
Non-current investments	10	66,624	68,434
Long term loans to employees		8	24
Other non-current financial assets	11	10,279	4,182
Deferred tax assets (net)	58	89,351	-
Other non-current assets	12	154,038	17,767
<b>Total non-current assets (A)</b>		<b>2,137,682</b>	923,111
<b>Current assets</b>			
Inventories	13	-	339
Financial assets			
Current investments	14	66,890	56,129
Trade receivables	15	33,081	8,874
Cash and cash equivalents	16	6,759	190
Bank balance other than cash and cash equivalents	17	1,085	32
Loans to subsidiaries, joint venture and others	18	13,396	20
Other current financial assets	19	717	313
Current tax assets (net)		-	7,750
Other current assets	20	70,921	17,884
<b>Total current assets (B)</b>		<b>192,849</b>	91,531
Assets classified as held for sale (AHFS) (C)	21	-	4,865
<b>Total Assets (A + B + C)</b>		<b>2,330,531</b>	1,019,507

## Balance Sheet as at March 31, 2019

Particulars	Notes	₹ Mn	
		As at March 31, 2019	As at March 31, 2018 (Refer Note 43(vi))
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	22	87,356	43,593
Other equity	23	547,689	262,415
<b>Total equity (A)</b>		<b>635,045</b>	306,008
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Long term borrowings	24	1,044,029	569,408
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,678	-
Other non-current financial liabilities	25	97,383	26,062
Long term provisions	26	3,392	3,080
Deferred tax liabilities (net)	58	-	3,079
Other non-current liabilities	27	4,235	5,601
<b>Total non-current liabilities (B)</b>		<b>1,157,717</b>	607,230
<b>Current liabilities</b>			
Financial liabilities			
Short term borrowings	28	41,207	217
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	50	178	4
Total outstanding dues of creditors other than micro enterprises and small enterprises		126,565	35,485
Other current financial liabilities	29	300,627	43,820
Other current liabilities	30	68,821	26,525
Short term provisions	31	371	218
<b>Total current liabilities (C)</b>		<b>537,769</b>	106,269
<b>Total Equity and Liabilities (A + B + C)</b>		<b>2,330,531</b>	1,019,507
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

**Prashant Singhal**

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

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

**D. Bhattacharya**

Director

(DIN: 00033553)

**Balesh Sharma**

Chief Executive Officer

**Ravinder Takkar**

Director

(DIN: 01719511)

**Akshaya Moondra**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Notes	₹ Mn	
		For the year ended March 31, 2019	For the year ended March 31, 2018 (refer note 43(vi))
<b>INCOME</b>			
Service revenue		367,668	278,000
Other operating income	32	920	286
<b>Revenue from operations</b>		<b>368,588</b>	278,286
Other income	33	10,733	6,065
<b>Total income</b>		<b>379,321</b>	284,351
<b>Operating Expenditure</b>			
Employee benefit expenses	34	21,209	13,968
Network expenses and IT outsourcing cost	35	169,269	97,449
License fees and spectrum usage charges	36	39,243	28,667
Roaming and access charges	37	41,690	35,358
Subscriber acquisition and servicing expenditure	38	28,562	29,151
Advertisement, business promotion expenditure and content cost	39	10,386	8,147
Other expenses	40	19,440	9,103
		<b>329,799</b>	221,843
<b>PROFIT BEFORE FINANCE COSTS, DEPRECIATION, AMORTISATION, EXCEPTIONAL ITEMS AND TAX</b>		<b>49,522</b>	62,508
Finance costs	41	94,713	48,968
Depreciation	8	77,074	49,688
Amortisation	9	67,024	33,460
<b>PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>(189,289)</b>	(69,608)
Exceptional items (net)	42	12,367	-
<b>PROFIT/ (LOSS) BEFORE TAX</b>		<b>(176,922)</b>	(69,608)
Tax expense:			
– Current tax	57	-	173
– Deferred tax	57 & 58	(36,362)	(25,198)
<b>PROFIT/ (LOSS) AFTER TAX</b>		<b>(140,560)</b>	(44,583)
<b>OTHER COMPREHENSIVE INCOME/ (LOSS)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Equity instrument through other comprehensive losses		(4,621)	(6,047)
Income tax effect on equity instrument through other comprehensive losses	57 & 58	1,076	1,250
Re-measurement gains on defined benefit plans	54	534	428
Income tax effect on defined benefit plans	57 & 58	(187)	(148)
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<b>(3,198)</b>	(4,517)
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR</b>		<b>(143,758)</b>	(49,100)
<b>Earnings/ (Loss) per equity share of ₹ 10 each:</b>	59		
Basic (₹)		(20.33)	(12.07)
Diluted (₹)		(20.33)	(12.07)
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

**Prashant Singhal**

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

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

Director

(DIN: 00033553)

**Balesh Sharma**

Chief Executive Officer

**Ravinder Takkar**

Director

(DIN: 01719511)

**Akshaya Moondra**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

## Statement of Changes in Equity for the year ended March 31, 2019

### A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 10 each issued, subscribed and fully paid

	Numbers	₹ Mn Amount
<b>As at April 1, 2017</b>	3,605,328,231	36,053
Issue of shares under Employee Stock Option Scheme (ESOS)	3,117,110	31
Preferential Allotment of Equity shares (refer note 43(vii))	326,633,165	3,266
Allotment of shares under Qualified Institutional Placement (QIP) (refer note 43(vii))	424,242,424	4,243
<b>As at March 31, 2018</b>	<b>4,359,320,930</b>	<b>43,593</b>
Issue of shares pursuant to amalgamation of Vodafone Mobile Services Limited ('VMSL') and Vodafone India Limited ('VInL') with the Company (refer note 3)	4,375,199,464	43,752
Issue of shares under Employee Stock Option Scheme (ESOS)	1,037,935	11
<b>As at March 31, 2019</b>	<b>8,735,558,329</b>	<b>87,356</b>



## Statement of Changes in Equity for the year ended March 31, 2019

Particulars	Reserves and surplus							Total			
	Capital reserve (refer note 23(i))	Capital reduction reserve (refer note 23(ii))	Debt redemption reserve	Securities premium	Amalgamation adjustment deficit account (refer note 23(v))	General reserve	Retained earnings		Employee stock options reserve	Business Restructuring Reserve	Equity instrument through other comprehensive income
<b>As at April 1, 2017</b>	-	-	1,317	104,330	-	20,863	73,333	1,341	-	-	201,184
Pursuant to merger of Aditya Birla Telecom Limited ("ABTL") (refer note 43(vi))	(12,476)	-	-	29,040	-	-	(9,804)	-	25,409	18,717	50,886
<b>As at April 1, 2017 (restated)</b>	<b>(12,476)</b>	-	<b>1,317</b>	<b>133,370</b>	-	<b>20,863</b>	<b>63,529</b>	<b>1,341</b>	<b>25,409</b>	<b>18,717</b>	<b>252,070</b>
Profit/ (Loss) for the year ended March 31, 2018	-	-	-	-	-	-	(44,583)	-	-	-	(44,583)
Other comprehensive income/ (loss) for the year ended March 31, 2018	-	-	-	-	-	-	280	-	-	(4,797)	(4,517)
<b>Total comprehensive loss</b>	-	-	-	-	-	-	<b>(44,303)</b>	-	-	<b>(4,797)</b>	-
Issue of share under ESOS	-	-	-	27	-	-	-	-	-	-	27
Preferential Allotment of Equity shares (Net of share issue expenses of ₹ 35 Mn) (refer note 43(viii))	-	-	-	29,199	-	-	-	-	-	-	29,199
Allotment of Equity shares under Qualified Institutional Placement (QIP) (Net of share issue expenses of ₹ 309 Mn) (refer note 43(vii))	-	-	-	30,448	-	-	-	-	-	-	30,448
Transfer from retained earnings	-	-	3,091	-	-	-	(3,091)	-	-	-	-
Share-based payment expenses <sup>(1)</sup> (refer note 53) <sup>(2)</sup>	-	-	-	-	-	-	-	(229)	-	-	(229)
Transfer to Securities premium account on exercise of options	-	-	-	310	-	-	-	(310)	-	-	-
<b>As at March 31, 2018</b>	<b>(12,476)</b>	-	<b>4,408</b>	<b>193,354</b>	-	<b>20,863</b>	<b>16,135</b>	<b>802</b>	<b>25,409</b>	<b>13,920</b>	<b>262,415</b>
Profit/ (Loss) for the year ended March 31, 2019	-	-	-	-	-	-	(140,560)	-	-	-	(140,560)
Other comprehensive income/ (loss) for the year ended March 31, 2019	-	-	-	-	-	-	347	-	-	(3,545)	(3,198)
<b>Total comprehensive loss</b>	-	-	-	-	-	-	<b>(140,213)</b>	-	-	<b>(3,545)</b>	-
Pursuant to amalgamation of erstwhile Vodafone Mobile Services Limited (VMSL) and erstwhile Vodafone India Limited (ViNL) with the Company (refer note 3)	165	277,787	-	842,139	(488,408)	1,393	(118,935)	-	-	-	514,141
Indemnity liability (refer note 3(C))	(85,015)	-	-	-	-	-	-	-	-	-	(85,015)
Issue of share under ESOS	-	-	-	1	-	-	-	-	-	-	1
Stamp duty on issue of shares on amalgamation of VMSL and ViNL with the Company (refer note 3)	-	-	-	(83)	-	-	-	-	-	-	(83)
Share-based payment expenses <sup>(1)</sup> (refer note 53)	-	-	-	-	-	-	-	(12)	-	-	(12)
Transfer to Securities premium account on exercise of options	-	-	-	121	-	-	-	(121)	-	-	-
<b>As at March 31, 2019</b>	<b>(97,326)</b>	<b>277,787</b>	<b>4,408</b>	<b>1,035,532</b>	<b>(488,408)</b>	<b>22,256</b>	<b>(243,013)</b>	<b>669</b>	<b>25,409</b>	<b>10,375</b>	<b>547,689</b>

<sup>(1)</sup> The charge for the year is net of reversal on account of cancellation of unvested options.

<sup>(2)</sup> Includes amount settled/ to be settled by subsidiaries for options granted to their employees.

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No.: 101049W/E3000004

**Prashant Singhal**

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

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

**D. Bhattacharya**

Director

(DIN: 00033553)

**Balesh Sharma**

Chief Executive Officer

**Ravinder Takkar**

Director

(DIN: 01719511)

**Akshaya Moondra**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

## Statement of Cash Flows for the year ended March 31, 2019

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Operating activities</b>		
<b>Loss before tax</b>	<b>(176,922)</b>	(69,608)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Depreciation of property, plant and equipment	77,074	49,688
Amortisation of intangible assets	67,024	33,460
Share-based payment expense (ESOS)	242	(224)
Gain on disposal of property, plant and equipment and intangible assets (net)	(86)	(149)
Accelerated depreciation on account of network re-alignment (refer note 42)	5,589	-
Finance costs (including fair value change in financial instruments)	94,713	48,968
Provision for gratuity and compensated absences	(674)	237
Bad debts/ advances written off	28	53
Allowance for doubtful debts/ advances	2,278	1,493
Liabilities/ provisions no longer required written back	(579)	(198)
Gain on sale of ICISL	(37,644)	-
Other income	(10,733)	(6,065)
<b>Working capital adjustments</b>		
Decrease in trade receivables	3,269	2,189
Decrease in inventories	339	204
Increase in other financial and non-financial assets	(4,351)	(1,487)
Increase/ (Decrease) in trade payables	42,118	(4,584)
(Decrease)/ Increase in other financial and non-financial liabilities	(11,422)	848
<b>Cash flows from operating activities</b>	<b>50,263</b>	54,825
Income tax refund/ (paid) (including TDS) (net)	1,816	(3,154)
<b>Net cash flows from operating activities</b>	<b>52,079</b>	51,671
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(76,369)	(86,040)
Payment towards -one time spectrum charges	(39,263)	-
Proceeds from sale of property, plant and equipment and intangible assets	576	364
Proceeds from sale of subsidiary (refer note 43(i))	42,303	-
Additional investment in subsidiaries and associate (including advance given for purchase of shares) <sup>(1)</sup>	(860)	(992)
Net purchase of current investments	(3,752)	(6,869)
Interest received	1,292	10
Dividend received from joint venture (Indus)	2,990	2,657
<b>Net cash flows used in investing activities</b>	<b>(73,083)</b>	(90,870)

## Statement of Cash Flows for the year ended March 31, 2019

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Financing activities</b>		
Proceeds from issue of equity shares on exercise of share options	1	58
Proceeds from allotment of equity share under Qualified Institutional Placement (QIP) (Net of share issue expenses of ₹ 309 Mn) (refer note 43(vii))	-	34,691
Proceeds from Preferential allotment of equity shares (Net of share issue expenses of ₹ 35 Mn) (refer note 43(vii))	-	32,465
Stamp duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 3)	(83)	-
Payment of interest and finance charges <sup>(2)</sup>	(49,996)	(54,909)
Proceeds from long term borrowings	58,072	44,950
Repayment of long term borrowings	(12,432)	(18,015)
Proceeds from short term borrowings	33,712	-
Repayment of short term borrowings	(57,603)	-
<b>Net cash flows (used in)/ from financing activities</b>	<b>(28,329)</b>	<b>39,240</b>
<b>Net (decrease)/ increase in cash and cash equivalents during the year</b>	<b>(49,333)</b>	<b>41</b>
Cash and cash equivalents at the beginning of the year	(27)	(68)
Add: Cash and cash equivalent on amalgamation of VMSL and VInL with the Company (net of bank overdraft ₹ 5,991 Mn (March 31, 2018: Nil)) (refer note 3)	55,249	-
<b>Cash and cash equivalents at the end of the year</b>	<b>5,889</b>	<b>(27)</b>

<sup>(1)</sup> Excludes value of shares allotted on merger of IMCSL, being non-cash transaction.

<sup>(2)</sup> Includes interest payment on deferred payment liabilities forming part of long term borrowings.

## 1. Cash and Cash Equivalents include the following Balance Sheet amounts

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash on hand	81	10
Cheques on hand	456	28
Balances with banks		
In current accounts	6,215	152
In deposit accounts	7	-
	6,759	190
Less: Bank overdraft which forms an integral part of cash management (refer note 28)	(870)	(217)
	5,889	(27)

## Statement of Cash Flows for the year ended March 31, 2019

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

Particulars	Borrowing including current maturities	Changes in derivative liabilities (net)	Interest accrued but not due
	₹ Mn		
<b>Balance as at April 1, 2017</b>	550,198	1,885	28,551
(i) Cash flow Items			
Net proceed/ (repayment) of borrowings	26,935	-	-
Payment of Interest and finance charges	(22,403)	(1,760)	(31,024)
(ii) Non - cash items			
Foreign exchange (gain)/ loss	81	-	(81)
Accrued interest on sub-judice matters	-	-	(473)
Finance cost accrued (charged to profit and loss/ capitalised)	-	(41)	52,487
Interest on Asset retirement obligation	-	-	(9)
Deferred payment liability for spectrum on allotment of Spectrum	3,181	-	-
Net upfront fees addition/ amortisation	524	-	(524)
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	21,119	-	(21,119)
<b>Balance as at March 31, 2018</b>	<b>579,635</b>	<b>84</b>	<b>27,808</b>
(i) Cash flow Items			
Net proceed/ (repayment) of borrowings	21,749	-	-
Payment of Interest and finance charges	(9,023)	(70)	(40,903)
(ii) Non-cash items			
Addition pursuant to amalgamation of VMSL and ViNL with the Company (refer note 3)	622,436	(2,452)	26,331
Foreign exchange (gain)/ loss	1,389	-	(1,389)
Finance cost accrued (charged to profit and loss/ capitalised)	-	3,003	94,655
Upfront fees amortisation	907	-	(907)
Interest on Asset retirement obligation	-	-	(9)
Accrued interest on finance lease and deferred payment liability for spectrum transferred to borrowing on anniversary date	41,436	-	(41,436)
<b>Balance as at March 31, 2019</b>	<b>1,258,529</b>	<b>565</b>	<b>64,150</b>

3. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows. The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

#### Prashant Singhal

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

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

#### D. Bhattacharya

Director

(DIN: 00033553)

#### Balesh Sharma

Chief Executive Officer

#### Ravinder Takkar

Director

(DIN: 01719511)

#### Akshaya Moondra

Chief Financial Officer

#### Pankaj Kapdeo

Company Secretary

## Notes forming part of the Financial Statements

### 1. CORPORATE INFORMATION

Vodafone Idea Limited (formerly Idea Cellular Limited) ('the Company'), a public limited company, was incorporated under the provisions of the Companies Act applicable in India on March 14, 1995. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (Scrip Code; NSE: IDEA, BSE: 532822). The registered office of the Company is situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar – 382011, Gujarat.

Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMSL) (hereinafter collectively called as "erstwhile Vodafone") merged into Idea Cellular Limited (ICL) on August 31, 2018 (Effective Date). This has resulted in the formation of a Joint Venture between the promoter Groups i.e Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, financial statements for the year ended March 31, 2019 includes financial results of the operation of VInL and VMSL for the period from August 31, 2018 to March 31, 2019. The Company is leading telecom service provider in India. The Company is engaged in the business of Mobility and Long Distance services.

These financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 13, 2019.

### 2. (a) STATEMENT OF COMPLIANCE

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

### (b) BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All financial information presented in INR has been rounded off to million unless otherwise stated.

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

#### **New and amended standards adopted by the Company**

Ind AS-115, "Revenue from Contracts with Customers"

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" basis

the modified retrospective method applied retrospectively to the contracts that are not completed as of April 1, 2018 (being date of initial application). Accordingly, the comparative information has not been restated. The effect on adoption of the said standard was insignificant on these financial statements.

The new revenue recognition standard Ind AS 115 defines a new five-step model to recognise revenue from customer contracts. Revenue is recognised when a customer obtains control of the goods or receives services and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard supersedes Ind AS 18 'Revenue' and Ind AS 11 'Construction contracts' and related interpretations.

Other standards such as Ind AS 12 - "Income tax" and Ind AS 21 - "Foreign currency transactions and advance consideration", do not have any impact on the Company.

### 3. AMALGAMATION OF VODAFONE MOBILE SERVICES LIMITED ('VMSL') AND VODAFONE INDIA LIMITED ('VINL') WITH THE COMPANY

Vodafone Mobile Services Limited (VMSL), Transferor Company 1 and Vodafone India Limited (VInL), Transferor Company 2 (collectively the Transferor Companies) who were in the business of providing telecommunication services under the respective licenses issued to them by the Department of Telecom (DoT), merged in to Idea Cellular Limited (ICL), the Transferee Company. These companies filed a scheme of amalgamation which was approved by their respective shareholders, creditors, Securities and Exchange Board of India (SEBI), Stock Exchanges, Competition Commission of India, Department of Telecommunications (DoT), Foreign Investment Promotion Board, Reserve Bank of India (RBI) and other required authorities / third parties. The scheme as approved by various regulatory authorities was sanctioned for the transferee company by Ahmedabad bench of National Company Law Tribunal (NCLT) on January 11, 2018 and for the transferor companies by the Mumbai bench of NCLT on January 19, 2018 subject to approval by DoT. The approval from DoT was received on July 26, 2018 after the Transferee Company deposited ₹ 39,263 Mn and provided a Bank Guarantee (BG) of ₹ 33,224 Mn under protest. The scheme became effective on August 31, 2018, the date on which the scheme along with all approvals, (including final NCLT approval) were filed with the Registrar of Companies (RoC) at Ahmedabad. Upon the scheme becoming effective the Transferor Companies stood dissolved without being wound-up.

This resulted in formation of a joint venture between the promoter groups i.e. Vodafone Group and Aditya Birla Group and change of name from ICL to Vodafone Idea Limited (VIL). The Vodafone Group and Aditya Birla Group owns 45.1% and 26.0% in the combined Company respectively and the balance 28.9% is owned by other shareholders as on August 31, 2018.

In compliance with the scheme, on merger of VMSL i.e. Transferor Company 1 with the Transferee Company, 3,893,927,522 equity shares of VIL were issued to VInL

## Notes forming part of the Financial Statements

i.e. Transferor Company 2 being the shareholder of Transferor Company 1. Immediately thereafter, on merger of VInL i.e. Transferor Company 2 with the Transferee Company, these shares were cancelled and 4,375,199,464 equity shares were issued afresh to shareholders of VInL. The stamp duty paid on such issue amounting to ₹ 83 Mn has been debited to Securities Premium Account.

As per Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013, no specific accounting guidance is given in case of formation of a joint venture, hence, the Company had an option to either recognise contribution of business from the joint ventures using 'Pooling of interest' method or adopt the 'fair value' method. The Company has adopted 'Pooling of interest' method. Accordingly, all the

assets, liabilities and reserves of Transferor companies have been recorded at their carrying amounts and in the form in which they appeared in the financial statements as at the date of merger of the respective Transferor Companies. The financial information in the financial statement in respect of prior periods are not restated as the business combination was not involving entities under common control.

On the scheme becoming effective, the Company has consolidated line by line the assets, liabilities and components of Other Equity of each of the Transferor Companies after eliminating the inter-company transactions between these entities and adjustments with respect to alignment of accounting policies and practices through retained earnings.

- A) The aggregate carrying balances of the Transferor Companies which merge into the Company for the purposes of consolidation are as under:

Particulars	Transferor Companies	Elimination <sup>(1)</sup>	Adjustments <sup>(2)</sup>	Total
<b>Assets</b>				
Property, plant and equipment	265,198	-	(561)	264,637
Capital work-in-progress	14,876	-	-	14,876
Other Intangible assets	644,083	-	(4,384)	639,699
Intangible assets under development	100,939	-	-	100,939
Non-current investments	486,757	-	(2,311)	484,446
Other non-current financial assets	7,579	-	-	7,579
Deferred tax assets (net)	56,395	-	(1,216)	55,179
Other non-current assets	132,260	(97)	-	132,163
Short term loans to related Parties	116,980	(103,913)	-	13,067
Trade receivables	29,654	(143)	-	29,511
Cash and cash equivalents	61,240	-	-	61,240
Other Bank balances and other financial assets	1,024	-	-	1,024
Other current financial assets	5,047	(2,592)	-	2,455
Other current assets	48,154	(13)	-	48,141
<b>Total Assets</b>	<b>1,970,186</b>	<b>(106,758)</b>	<b>(8,472)</b>	<b>1,854,956</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	33,067	-	-	33,067
Other equity	989,315	-	17,804	1,007,119
<b>Total equity</b>	<b>1,022,382</b>	<b>-</b>	<b>17,804</b>	<b>1,040,186</b>
<b>Liabilities</b>				
Long term borrowings	498,421	(6,250)	-	492,171
Other non-current financial liabilities	8,896	(113)	-	8,783
Long term provisions	1,402	-	-	1,402
Other non-current liabilities	944	(96)	-	848
Short term borrowings	168,345	(97,550)	-	70,795
Trade payables	61,615	(2,251)	(1,936)	57,428
Other current financial liabilities	131,192	(484)	-	130,708
Other current liabilities	75,254	(14)	(24,340)	50,900
Short term provisions	1,735	-	-	1,735
<b>Total liabilities</b>	<b>947,804</b>	<b>(106,758)</b>	<b>(26,276)</b>	<b>814,770</b>
<b>Equity and Liabilities</b>	<b>1,970,186</b>	<b>(106,758)</b>	<b>(8,472)</b>	<b>1,854,956</b>

<sup>(1)</sup> Represents elimination between Transferor Company 1 and Transferor Company 2.

<sup>(2)</sup> Effects of alignment of accounting policies and practices, transaction between Transferor Companies and the Company.

## Notes forming part of the Financial Statements

With the amalgamation of the transferor companies as mentioned above, carrying values of assets, liabilities and equity of transferor companies become form part of the financial statements of the Company.

### B) Details of other equity on amalgamation of Transferor Company 1 and Transferor Company 2

Particulars	Capital reserve	Capital reduction reserve	Securities premium	Amalgamation adjustment deficit account <sup>(1)</sup>	General reserve	Retained earnings	Total
Reserve of Transferor company 1	165	277,787	842,139	-	1,393	(136,739)	984,745
Alignment of accounting policies and practices						17,804	17,804
Investment of Transferor Company 2 into Transferor Company 1	-	-	-	(477,723)	-	-	(477,723)
Difference between share capital of Transferor Company 1 and Transferor Company 2 and share capital issued by Transferee Company	-	-	-	(10,685)	-	-	(10,685)
<b>Total</b>	<b>165</b>	<b>277,787</b>	<b>842,139</b>	<b>(488,408)</b>	<b>1,393</b>	<b>(118,935)</b>	<b>514,141</b>

<sup>(1)</sup> On amalgamation, the effect of cancellation of investment of Transferor Company 2 into Transferor Company 1 of ₹ 477,723 Mn, and difference between share capital of Transferor Companies of ₹ 33,067 Mn and shares issued by the Company of ₹ 43,752 Mn to the shareholders of the Transferor Companies have resulted into creation of the amalgamation adjustment deficit account being debit balance in accordance with the guidance given under education material on Ind-AS 103 issued by The Institute of Chartered Accountants of India.

C) Further, the Implementation Agreement entered between the parties defines a settlement mechanism between the Company and VInL shareholders for any cash inflow/outflow that could possibly arise from the settlement of certain outstanding disputes pertaining to period until May 31, 2018. Accordingly, VIL has recorded net indemnity liability of ₹ 83,923 Mn, of which ₹ 85,015 Mn is recorded through capital reserve, on merger. The liability has been disclosed as other non-current financial liability. The settlement of this indemnity liability would happen periodically as defined in the Agreement starting from June 2020 and will not extend beyond June 2025. In the event such disputed matters do not finally result in cash inflows/outflows within the indemnity period, there would be no settlement to/from the erstwhile VInL shareholders by/to the Company. The settlement between the Company and VInL shareholders for any cash inflow/outflow that could possibly arise shall be subject to RBI approval, if any, which would be evaluated/obtained at the time of actual settlement with VInL shareholders.

4. The Company has incurred a net loss for the year ended March 31, 2019 of ₹ 140,560 Mn (year ended March 31, 2018 ₹ 44,583 Mn) and has a negative working capital as at March 31, 2019 of ₹ 344,920 Mn (March 31, 2018 ₹ 14,739 Mn). The borrowings including interest thereon repayable during next twelve months period ending March 31, 2020 is ₹ 333,079 Mn. This includes borrowings of ₹ 102,802 Mn reclassified from long term to short term as the Company was not able to meet certain financial ratios, which the company is confident will not result in any accelerated payment (refer note 24(b)). In addition, the Company expects to incur capital expenditure to achieve its planned business growth as per its approved business plan. Subsequent to the year end, the Company has raised an

amount aggregating ₹ 249,998 Mn by way of a rights issue from existing eligible equity shareholders, including promoter contribution of ₹ 179,207 Mn. On this basis, the Company believes that the capital infusion as mentioned above, existing cash and cash equivalents (including current investments) of ₹ 73,649 Mn as at March 31, 2019, expected cash flow from sale of certain non-current investments and cash from operations over the next 12 months is sufficient for scheduled debt repayments, including interest, capital expenditure payouts and other working capital requirements of the Company for the next twelve months. These financial statements have therefore been prepared on a going concern basis.

## 5. SIGNIFICANT ACCOUNTING POLICIES

### a) Revenue from contracts with customers

Revenue is recognised when a customer receives services and thus has the ability to direct the use and obtain the 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

## Notes forming part of the Financial Statements

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 section 5- r) Financial instruments – initial recognition and subsequent measurement.

### iv) Advance from customer and deferred revenue

Advance from customer and deferred revenue is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Advance from

customer and deferred revenue are recognised as revenue when the Company fulfills its performance obligations under the contract.

### v) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### vi) Dividends

Dividend Income is recognised when the Company's right to receive the payment is established.

### vii) Cost to obtain a contract

The Company pays sales commission to its channel partners for each contract that they obtain. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortisation period of the asset that the Company otherwise would have used is one year or less.

## b) Leases

The Company evaluates whether an arrangement is (or contains) a lease based on the substance of the arrangement at the inception of the lease. An arrangement which is dependent on the use of a specific asset or assets and conveys a right to use the asset or assets, even if it is not explicitly specified in an arrangement is (or contains) a lease.

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### i. Company as a lessee

Finance lease:

Assets held under finance leases are initially recognised as assets at the commencement of the lease at their fair value or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance costs and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Such assets are depreciated / amortised over the period of lease or estimated useful life of the assets whichever is less. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis



## Notes forming part of the Financial Statements

unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Contingent rentals arising, if any, under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### ii. Company as a lessor

Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

The Company enters into agreements which entitle its customers the right to use of specified capacity of dark fibre / bandwidth capacity for a specific period of time. Under such arrangements, the rights to use the specified assets are given for a substantial part of the estimated useful life of such assets. The contracted price received upfront in advance is treated as deferred revenue and is recognised on a straight line basis over the agreement period.

### c) Employee benefits

#### i. Defined Contribution Plan

Contributions to Provident and other funds are funded with the appropriate authorities and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

Contributions to Superannuation are funded with the Life Insurance Corporation of India and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

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

#### ii. Defined Benefit Plan

The Company has a defined benefit gratuity plan which is a combination of funded plan and unfunded plan. In case of funded plan, the Company makes contribution to a separately administered fund with the Life Insurance Corporation of India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimation of the payments. Any deficit in plan assets managed by LIC as compared to the liability based on an independent actuarial valuation is recognised as a liability. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

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

- Service costs; and
- Net interest expense or income

#### iii. Short-term and other long-term employee benefits

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

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date. The related re-measurements are recognised in the Statement of Profit and Loss in the period in which they arise.

#### iv. Share-based payments

Equity-settled share-based payments to employees for options granted by the Company to its employees are measured at the fair value of the equity instruments at the grant date.

Stock option of Vodafone Group Plc (VGPLC) granted to the employees of the Company are accounted as cash-settled share based payments by the Company.

The fair value determined at the grant date of the equity settled share-based payments is expensed over the period in which the performance or service conditions are fulfilled, based on the Company's estimate of stock

## Notes forming part of the Financial Statements

options that will eventually vest, with a corresponding increase in equity. The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve or liability as applicable.

In respect of cancellation of unvested stock options, the amount already charged as share based payment expense is reversed under the same head in the Statement of Profit and Loss.

In respect of modification such as re-pricing of existing stock option, the difference in fair value of the option on the date of re-pricing is accounted for as share based payment expense over the remaining vesting period.

### d) Annual Revenue Share License Fees – and Spectrum Usage Charges

The variable license fees and annual spectrum usage charges, computed basis of adjusted gross revenue, are charged to the Statement of Profit and Loss in the period in which the related revenue arises as per the license agreement of the licensed service area at prescribed rate.

### e) Foreign currency transactions

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Transactions in foreign currencies are initially recorded at the INR spot rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised on net basis within finance cost in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

### f) Exceptional items

Items of income or expense which are non-recurring or outside of the ordinary course of business and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company are disclosed as Exceptional items in the Statement of Profit and Loss.

### g) Taxes

Income tax expense represents the sum of current tax and deferred tax.

### i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation statute.

### h) Current / Non – Current Classification

An asset is classified as current when

- It is expected to be realized or consumed in the respective company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or

## Notes forming part of the Financial Statements

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

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

### i) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods, or for administrative purposes, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment, non-refundable duties and borrowing cost relating to qualifying assets. In line with the transitional provisions, exchange differences on long term foreign currency borrowings taken on or before March 31, 2016 are continued to be capitalized under PPE. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold Land is not depreciated. Depreciation on all other assets under PPE commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.

Asset Retirement Obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. ARO is measured based on present value of expected cost to settle the obligation.

Particulars	Estimated useful life (in years)
Buildings	25 to 30
Leasehold Improvements	Period of lease or 10 years whichever is lower
Network Equipments	7 to 13
Optical Fibre	15
Other Plant and Equipment	2 to 5
Office Equipments	3 to 5
Computers and servers	3 to 5
Furniture and Fixtures	5 to 10
Motor Vehicles	2 to 5

An item of property, plant and equipment and any significant part which meets the criteria for asset held for sale will be reclassified from property, plant and equipment to asset held for sale. When any significant part of property, plant and equipment is discarded or replaced, the carrying value of discarded / replaced part is derecognized. Any gains or losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss on the date of retirement or disposal.

### j) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period, residual value and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on straight line method as under:

- Cost of spectrum is amortised on straight line method from the date when the related network is ready for intended use over the unexpired period of the spectrum.
- Cost of licenses is amortised on straight line method from the date of launch of circle/renewal of license over the unexpired period of the license.

## Notes forming part of the Financial Statements

- Software, which is not an integral part of hardware, is treated as an intangible asset and is amortised over its useful economic life as estimated by the management between 3 to 5 years.
- Bandwidth capacities acquired under Indefeasible Right to Use (IRU) basis is accounted for as intangible assets and amortised over the period of the agreement.
- Brand - Separately acquired brand is shown at historical cost. Subsequently brand is carried at cost less accumulated amortisation and impairment loss, if any. The Company amortises brand using the straight line method over the estimated useful life of 15 years.

Cost of Intangible assets under development represents cost of intangible assets not ready for intended use as on the reporting date. It includes the amount of spectrum allotted to the Company and related borrowing costs (that are directly attributable to the acquisition or construction of qualifying assets) if any, for which network is not yet ready.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### k) Non – Current Assets Held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and its sale is highly probable. The sale is considered highly probable only when the asset or disposal groups is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and the sale is expected to be completed within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

Non-current assets that ceases to be classified as held for sale are measured at lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

### l) Impairment of Non – Financial Assets

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

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

For assets excluding goodwill, impairment losses recognized in the earlier periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the Company estimates the asset's (or cash generating unit's) recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### m) Investment in Subsidiaries, Associate and Joint Arrangements

The Company recognises its investment in subsidiaries, joint ventures and associate at cost less any impairment losses, if any except investment in Indus which have accounted for at Fair value through other comprehensive income.

### n) Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the finance costs.

### o) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## Notes forming part of the Financial Statements

### p) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### q) Financial Instruments

#### Initial recognition and measurement

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

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

### i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way 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)

### 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:

- 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

## Notes forming part of the Financial Statements

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 15.

### III. Financial assets measured at FVOCI

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 FVOCI. 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 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 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

## Notes forming part of the Financial Statements

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 after tax.

EPS is disclosed on basic and diluted basis. Basic EPS is computed by dividing the profit / loss for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period. The diluted

EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

### u) Onerous Contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

### v) Provisions and Contingent Liabilities

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

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

#### i. Asset Retirement Obligation (ARO)

ARO is provided for those lease arrangements where the Company has a binding obligation to restore the said location / premises at the end of the period in a condition similar to inception of the arrangement. The restoration and decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

#### ii. Contingent Liabilities

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

## Notes forming part of the Financial Statements

### w) Business Combinations

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

### 6. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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

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

#### Estimates and Assumptions

#### i. Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using Black & Scholes model to determine the fair value of the liability incurred. Share issued by Vodafone Group Plc., is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 53.

#### ii. Taxes

The respective companies provide for tax considering the applicable tax regulations and based on reasonable estimates.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

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

Minimum alternative tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the respective companies will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the 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.

To ensure that there is convincing evidence that the respective companies will have sufficient taxable profits, the Company has used 10 years projections. A terminal growth rate consistent with the long-term average growth rate of the industry and internal / external sources of information has been used for extrapolating cash flows beyond the planning period of 5 years. Further details about taxes refer note 57 and 58.

#### iii. Defined benefit plans (gratuity and compensated absences benefits)

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.



## Notes forming part of the Financial Statements

Further details about gratuity obligations are given in note 54(A).

### iv. Allowance for Trade receivable

For the purpose of measuring the expected credit loss for trade receivables, the 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 15.

### v. Useful life of Property, Plant and Equipment

The useful life to depreciate property, plant and equipment is based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset, and manufacturers' warranties, maintenance and support period, etc. The charge for the depreciation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in note 8.

### vi. Impairment of Non-financial assets

Non-financial assets i.e. Property, Plant and Equipment (including CWIP) and Intangible assets (including Intangible assets under development) are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the fair value less costs of disposal calculated based on available information and sensitive to the discount rate, valuation techniques, expected future cash inflows and the growth rate. Refer note 65.

### vii. Operating lease commitments – Company as lessee

The Company has entered into lease agreements for properties and cell sites. The classification of the leasing arrangement as a finance lease or operating lease is based on the evaluation of several factors including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the assets' economic life, proportion of present value of minimum lease payment to fair value of lease asset and extent of specialized nature of the leased asset. Lease arrangements where the significant risks and rewards related to properties and cell sites are retained with the lessors, are accounted for as operating leases. Refer note 46(a) for further details about operating lease.

### viii. Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best

estimates. Evaluations of uncertain provisions and contingent liabilities and assets requires judgement and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts. Refer Note 45 for further details about Contingent liabilities.

## 7. NEW ACCOUNTING PRONOUNCEMENTS TO BE ADOPTED ON OR AFTER APRIL 1, 2019.

### a. Ind AS 116- Leases

Ind AS 116 on Leases has been notified by the Ministry of Corporate Affairs on March 30, 2019 and is applicable from April 1, 2019. Ind AS 116 will replace Ind AS 17, the existing lease standard. The revised standard sets out the principles for recognition, measurement, presentation and disclosure of leases. It requires the lessee to recognize assets and liabilities for all leases with a few exemptions / exceptions. However, there is no major change in accounting by the lessor. The rights and obligations related to operating leases will now have to be recognised as assets (right-of-use asset) and liabilities (lease liability) in the Balance sheet of lessee vis-à-vis a disclosure requirement of future minimum lease payments as per the current standard. This may result in a significant increase in the Company's Total Assets and Lease Liability. Currently, the lease rentals for Operating Leases are charged to Statement of Profit & Loss as operating expenses. Going forward, the Right of Use Asset will be amortized over the lease period.

The Company is currently in the process of evaluating the effects of this standard on the financial statements.

### b. Amendment to Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The amendment provides clarification on the uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit / (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initial application of Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The amendment is applicable from April 1, 2019. The Company is in process of evaluating the effects of this amendment on the financial statements.

## Notes forming part of the Financial Statements

### c. Amendment to Ind AS 12 'Income Tax'

The amendment clarifies that the income tax consequences of dividends including payments on financial instruments classified as equity, are linked more directly to past transactions or events that generated distributable profits rather than to distribution of such amounts to owners. Therefore, an entity shall recognise the income tax consequences of dividends in the Statement of Profit and Loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment is applicable from April 1, 2019 and has no impact on the financial statements.

### d. Amendment to Ind AS 23 'Borrowing Costs'

The amendment clarifies that for computing general rate of borrowed funds, an entity should exclude specific borrowing for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remains outstanding after the related qualifying asset is ready for use or sale should subsequently be considered as part of general borrowing costs of the entity. The amendment is applicable from April 1, 2019 and has no impact on the financial statements.

### e. Amendment to Ind AS 19 'Employee Benefits'

The amendment clarifies that when a defined benefit plan is amended, curtailed or settled during a reporting period, the entity would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the period after the plan amendment, curtailment or settlement.

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendment is applicable from April 1, 2019 and has no significant impact on the Company's financial statements.

### f. Amendment to Ind AS 109 'Financial Instruments'

The amendment clarifies that an exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion i.e. the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' for financial asset or a debt instrument which:

- i. have a prepayment feature that results in negative compensation
- ii. apart from the prepayment feature other features of financial assets would have contractual cash flows which would meet the SPPI criteria and
- iii. The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. (If it is impracticable to assess based on facts and circumstances that existed on initial recognition, then exception would not be available)

Such financial assets or debt instrument could be measured at amortised cost or at FVOCI based on business model within which they are held.

The amendment is applicable from April 1, 2019 and has no significant impact on the Company's financial statements.

### g. Amendment to Ind AS 103 Business Combination

The amendment clarifies that, when a party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including re-measuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer re-measures its entire previously held interest in the joint operation.

These amendments will apply to business combinations for which acquisition date is on or after April 1, 2019. Currently the same are not applicable to the Company, but may apply to future transactions.

## Notes forming part of the Financial Statements

	₹ Mn								
Particulars	Freehold land	Leasehold Land	Buildings	Leasehold Improvement	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>									
<b>Cost</b>									
<b>As at April 1, 2017</b>	116	-	856	225	311,384	950	810	1,306	315,647
Additions	-	-	-	-	71,651	30	188	679	72,548
Disposals/ Adjustments	-	-	-	(2)	(697)	(18)	(1)	(182)	(900)
<b>As at March 31, 2018</b>	116	-	856	223	382,338	962	997	1,803	387,295
Pursuant to amalgamation of VMSL and VnL with the Company (refer note 3)	66	180	552	1,313	440,473	988	1,358	23	444,953
Additions	-	-	-	13	67,088	3	75	149	67,328
Disposals/ Adjustments	-	-	(3)	(310)	(9,219)	(199)	(90)	(355)	(10,176)
<b>As at March 31, 2019</b>	182	180	1,405	1,239	880,680	1,754	2,340	1,620	889,400
<b>Accumulated Depreciation</b>									
<b>As at April 1, 2017</b>	-	-	140	61	92,514	192	337	518	93,762
Depreciation charge for the year	-	-	32	34	48,907	150	197	368	49,688
Disposals/ Adjustments	-	-	-	(2)	(557)	(3)	(1)	(135)	(698)
<b>As at March 31, 2018</b>	-	-	172	93	140,864	339	533	751	142,752
Pursuant to amalgamation of VMSL and VnL with the Company (refer note 3)	-	6	58	958	177,616	746	922	10	180,316
Depreciation charge for the year	-	2	60	116	75,917	301	331	347	77,074
Disposals/ Adjustments <sup>(4)</sup>	-	-	-	(233)	(3,540)	(126)	(77)	(177)	(4,153)
<b>As at March 31, 2019</b>	-	8	290	934	390,857	1,260	1,709	931	395,989
<b>Net Book Value</b>									
<b>As at March 31, 2019</b>	<b>182</b>	<b>172</b>	<b>1,115</b>	<b>305</b>	<b>489,823</b>	<b>494</b>	<b>631</b>	<b>689</b>	<b>493,411</b>
<b>As at March 31, 2018</b>	<b>116</b>	<b>-</b>	<b>684</b>	<b>130</b>	<b>241,474</b>	<b>623</b>	<b>464</b>	<b>1,052</b>	<b>244,543</b>

**Footnotes:**

- Plant and machinery includes gross block of assets capitalised under finance lease ₹ 19,115 Mn (March 31, 2018: ₹ 11,859 Mn) and corresponding accumulated depreciation being ₹ 14,540 Mn (March 31, 2018: ₹ 8,431 Mn). Additions in plant and machinery during the year includes gross block of assets capitalised under finance lease ₹ 2,119 Mn (March 31, 2018: ₹ 2,061 Mn) and corresponding accumulated depreciation being ₹ 204 Mn (March 31, 2018: ₹ 228 Mn).
- Refer note 24(a) for assets pledged as securities towards funded and non-funded facilities.
- Net foreign exchange loss/ (gain) amounting to ₹ 397 Mn capitalised during the year (March 31, 2018: ₹ (192) Mn decapitalised).
- Disposal/ adjustment include accelerated depreciation charge of ₹ 5,589 Mn (March 31, 2018: ₹ Nil) on account of network re-alignment and integration cost and disclosed under exceptional items.

## Notes forming part of the Financial Statements

	₹ Mn				
Particulars	Entry/ license fees and spectrum	Brand	Computer - Software	Bandwidth	Total
<b>9 INTANGIBLE ASSETS</b>					
<b>Cost</b>					
<b>As at April 1, 2017</b>	<b>565,641</b>	-	<b>4,143</b>	<b>11,418</b>	<b>581,202</b>
Pursuant to merger of ABTL (refer note 43(vi))	(241)	-	-	-	(241)
Additions	42,593	-	1,015	3,037	46,645
<b>As at March 31, 2018</b>	<b>607,993</b>	-	<b>5,158</b>	<b>14,455</b>	<b>627,606</b>
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3) <sup>5</sup>	709,701	25,945	10,178	8,708	754,532
Additions	144,599	-	1,821	1,856	148,276
Disposals/ Adjustments	-	-	(34)	(69)	(103)
<b>As at March 31, 2019</b>	<b>1,462,293</b>	<b>25,945</b>	<b>17,123</b>	<b>24,950</b>	<b>1,530,311</b>
<b>Accumulated Amortisation</b>					
<b>As at April 1, 2017</b>	<b>38,554</b>	-	<b>1,839</b>	<b>1,445</b>	<b>41,838</b>
Amortisation charge for the year	31,062	-	1,404	994	33,460
<b>As at March 31, 2018</b>	<b>69,616</b>	-	<b>3,243</b>	<b>2,439</b>	<b>75,298</b>
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	105,606	199	6,564	2,464	114,833
Amortisation charge for the year	61,933	1,007	2,601	1,483	67,024
Disposals/ Adjustments	-	-	(26)	(21)	(47)
<b>As at March 31, 2019</b>	<b>237,155</b>	<b>1,206</b>	<b>12,382</b>	<b>6,365</b>	<b>257,108</b>
<b>Net Book Value</b>					
<b>As at March 31, 2019</b>	<b>1,225,138</b>	<b>24,739</b>	<b>4,741</b>	<b>18,585</b>	<b>1,273,203</b>
<b>As at March 31, 2018</b>	<b>538,377</b>	-	<b>1,915</b>	<b>12,016</b>	<b>552,308</b>

**Footnotes:**

- Computer - software includes gross block of assets capitalised under finance lease ₹ 5,507 Mn (March 31, 2018: ₹ 3,795 Mn) and corresponding accumulated amortisation being ₹ 4,394 Mn (March 31, 2018: ₹ 2,363 Mn). Additions in computer - software includes gross block of assets capitalised under finance lease ₹ 677 Mn (March 31, 2018: ₹ 863 Mn) and corresponding accumulated amortization being ₹ 181 Mn (March 31, 2018: ₹ 167 Mn).
- Interest amounting to ₹ 2,548 Mn (March 31, 2018: ₹ 3,244 Mn) has been capitalised during the year.
- Entry/ license fee and spectrum gross block ₹ 46,283 Mn and Net block ₹ 38,261 Mn range from 2.5 year to 8.4 year and Entry/ license fee and spectrum gross block ₹ 1,416,010 Mn and Net block ₹ 1,186,877 Mn range from 11 year to 18.5 year (March 31, 2018 : gross block ₹ 2,236 Mn and Net block ₹ 1,489 Mn range from 3.5 year to 9.5 year and Entry/ license fee and spectrum gross block ₹ 605,757 Mn and Net block ₹ 536,888 Mn range from 12 year to 18.5 year).
- Refer note 24(a) for computer software pledged as securities towards funded and non-funded facilities.
- Brand Includes ₹ 25,945 Mn paid by VMSL and VInL on July 20, 2018 for using Vodafone brand in accordance of the terms of agreement for the period of 15 years.
- Intangible Assets under development as at March 31, 2019 is ₹ 27,443 Mn (March 31, 2018: ₹ 29,340 Mn). Addition pursuant to amalgamation of VMSL and VInL with the Company (refer note 3) of ₹ 100,939 Mn (including interest of ₹ 8,321 Mn), amount added during the year ₹ 5,334 Mn (including interest of ₹ 2,548 Mn), and amount capitalized during the year of ₹ 108,170 Mn (including interest of ₹ 10,249 Mn). As of March 31, 2019 intangible assets under development include interest amounting to ₹ 3,695 Mn (March 31, 2018: ₹ 3,075 Mn).

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>10 NON-CURRENT INVESTMENTS (UNQUOTED)</b>		
<b>(A) Investments in Equity Instruments of Subsidiaries (at cost)</b>		
<b>Subsidiaries</b>		
Idea Cellular Services Limited ('ICSL') 50,000 fully paid equity shares of ₹ 10 each	1	1
Idea Telesystems Limited ('ITL') 50,000 fully paid equity shares of ₹ 10 each	38	38
<b>Subsidiaries in pursuant to amalgamation of VMSL and VinL with the Company (refer note 3)</b>		
Vodafone Towers Limited ('VTL') 1,800,000 fully paid equity shares of ₹ 10 each	18	-
Vodafone Foundation ('VF') 200 fully paid equity shares of ₹ 10 each	-*	-
Mobile Commerce Solutions Limited ('MCSL') 405,263,153 fully paid equity shares of ₹ 10 each	5,872	-
Vodafone Business Services Limited ('VBSL') 50,000 fully paid equity shares of ₹ 10 each	-*	-
Vodafone m-pesa Limited ('VMPL') (refer note 43(ii)) 237,099,380 fully paid equity shares of ₹ 10 each	-	-
Vodafone India Ventures Limited ('VIVL') 2,000,000 fully paid equity shares of ₹ 10 each	20	-
Vodafone India Digital Limited ('VIDL') 500,000 fully paid equity shares of ₹ 10 each	5	-
You Broadband India Limited ('YBIL') 47,345,392 fully paid equity shares of ₹ 10 each	2,752	-
Vodafone Technology Solutions Limited ('VTSL') 500,000 fully paid equity shares of ₹ 10 each	5	-
<b>Total investment in subsidiaries (A)</b>	<b>8,711</b>	<b>39</b>
<b>(B) Investments in Equity Instruments of Associate (at cost)</b>		
Aditya Birla Idea Payments Bank Limited (ABIPBL) 2,787,930,750 (March 31, 2018: 221,634,545) fully paid equity shares of ₹ 10 each	2,788	2,216
<b>Total investment in associate (B)</b>	<b>2,788</b>	<b>2,216</b>
<b>(C) Investments in Equity Instruments of Joint Ventures</b>		
(i) Indus Towers Limited ('Indus') (FVTOCI) <sup>(1)</sup> 132,868 (March 31, 2018: 132,868) fully paid equity shares of ₹ 1 each	61,558	66,179
(ii) Firefly Networks Limited ('FNL') (FVTOCI) <sup>(2)</sup> 1,000,000 fully paid equity shares of ₹ 10 each	10	-
<b>Total investment in joint ventures (C)</b>	<b>61,568</b>	<b>66,179</b>
<b>Total (A + B + C)</b>	<b>73,067</b>	<b>68,434</b>
<b>Less</b>		
Provision for impairment of Investment <sup>(3)</sup>	6,443	-
<b>Total (A+ B + C)</b>	<b>66,624</b>	<b>68,434</b>

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

<sup>(1)</sup> As at March 31, 2019, the Company has pledged 43,376 equity shares of Indus held by the Company as security against the short term loan of ₹ 30,318 Mn. Such pledge is executed by the Company as first ranking exclusive charge in favour of Security trustee for the benefit of the lender and its successor. Subsequent to the balance sheet date, such pledge has been released following the repayment of the short term loan on May 08, 2019.

<sup>(2)</sup> Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3).

<sup>(3)</sup> The Company assessed the expected cash flows and future plans of all its subsidiary Companies upon merger of VMSL and VinL with the Company and accordingly, recorded a provision for impairment of ₹ 4,300 Mn and ₹ 2,143 Mn for investment in Mobile Commence Solution Limited and in You Broadband India Limited respectively.

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>11 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Deposits with body corporate and others (including amount referred to in note 60)		
– Considered Good	7,346	3,756
– Considered Doubtful	232	-
Deposits and balances with government authorities	1,623	426
Derivative assets at fair value through profit or loss	80	-
Margin money deposits	6	-
Other receivable from joint venture (Indus) (refer note 60)	1,224	-
	10,511	4,182
Allowance for doubtful advances (refer note 51)	(232)	-
<b>Total</b>	<b>10,279</b>	<b>4,182</b>
<b>12 OTHER NON-CURRENT ASSETS</b>		
Capital advances		
– Considered Good	302	460
– Considered Doubtful	4	-
Prepaid expenses	2,056	1,038
Advance income tax (Net)	93,132	9,020
Others (consisting mainly deposit against demands which are appealed against/ subjudice)		
– Considered Good	58,548	7,249
– Considered Doubtful	1,433	409
	155,475	18,176
Allowance for doubtful advances (refer note 51)	(1,437)	(409)
<b>Total</b>	<b>154,038</b>	<b>17,767</b>
<b>13 INVENTORIES</b>		
Sim and recharge vouchers	-	339
<b>Total</b>	<b>-</b>	<b>339</b>
<b>14 CURRENT INVESTMENTS</b>		
Investment in units of liquid mutual funds (quoted) (refer note 48)	66,890	56,129
<b>Total</b>	<b>66,890</b>	<b>56,129</b>
<b>15 TRADE RECEIVABLES (UNSECURED, UNLESS OTHERWISE STATED) (REFER NOTE 60)</b>		
<b>Billed Receivables</b>		
Unsecured - Considered Good	24,815	5,512
Unsecured - Considered Doubtful	14,911	7,356
	39,726	12,868
Allowance for doubtful debts (refer note 51)	(14,911)	(7,356)
	24,815	5,512
<b>Unbilled Receivables</b>	<b>8,266</b>	<b>3,362</b>
<b>Total</b>	<b>33,081</b>	<b>8,874</b>
Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 682 Mn (March 31, 2018: ₹ 201 Mn)		
<b>16 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	81	10
Cheques on hand	456	28
Balances with banks		
– In current accounts	6,215	152
– In deposit accounts (having maturity less than 3 months)	7	-
<b>Total</b>	<b>6,759</b>	<b>190</b>

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>17 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Margin money	1,081	28
Earmarked bank balance towards dividend	4	4
<b>Total</b>	<b>1,085</b>	<b>32</b>
<b>18 LOANS TO SUBSIDIARIES, JOINT VENTURE AND OTHERS</b>		
Loans to related parties (refer note 60)		
Loans to Subsidiaries and Joint Venture <sup>(1)</sup>		
– Considered Good	13,385	-
– Considered Doubtful	5	-
Current portion of loans to employees	11	20
	13,401	20
Allowance for doubtful advances (refer note 51)	(5)	-
<b>Total</b>	<b>13,396</b>	<b>20</b>
<sup>(1)</sup> Loans have been provided for general corporate purpose and interest rate ranges from 7.50% p.a. to 9.80% p.a. and maximum loan outstanding during the period is ₹ 15,354 Mn.		
<b>19 OTHER CURRENT FINANCIAL ASSETS</b>		
Interest Receivable		
– Considered Good	83	-
– Considered Doubtful	2	-
Deposits with body corporate and others	99	217
Derivative assets at fair value through profit or loss	167	28
Other receivables (including amount referred to in note 60)		
– Considered Good	368	68
– Considered Doubtful	2	2
	721	315
Allowance for doubtful advances (refer note 51)	(4)	(2)
<b>Total</b>	<b>717</b>	<b>313</b>
<b>20 OTHER CURRENT ASSETS</b>		
GST recoverable	67,125	16,198
Prepaid expenses	2,780	1,038
– Considered Good	1,016	648
– Considered Doubtful	130	25
	71,051	17,909
Allowance for doubtful advances (refer note 51)	(130)	(25)
<b>Total</b>	<b>70,921</b>	<b>17,884</b>
<b>21 ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Assets of ICISL (refer note 43(i))	-	4,865
<b>Total</b>	<b>-</b>	<b>4,865</b>

## Notes forming part of the Financial Statements

Particulars	As at March 31, 2019		As at March 31, 2018	
	Numbers	Amount	Numbers	Amount
<b>22 EQUITY SHARE CAPITAL</b>				
<b>Authorised share capital<sup>(1)</sup></b>				
Equity Shares of ₹ 10 each	28,793,002,000	287,930	6,775,000,000	67,750
Redeemable cumulative non-convertible Preference shares of ₹10 Mn each	1,500	15,000	1,500	15,000
	28,793,003,500	302,930	6,775,001,500	82,750
<b>Issued, subscribed and paid-up share capital</b>				
Equity Shares of ₹ 10 each fully paid up	8,735,558,329	87,356	4,359,320,930	43,593
	8,735,558,329	87,356	4,359,320,930	43,593

₹ Mn

<sup>(1)</sup> Pursuant to amalgamation of VMSL and VInL with the Company, authorised share capital ₹ 170,180 Mn of Transferor Company 1 (Vodafone Mobile Services Limited) and ₹ 50,000 Mn of Transferor Company 2 (Vodafone India Limited) stand transferred as authorised share capital of the Company (refer note 3).

### (a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2019		As at March 31, 2018	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	4,359,320,930	43,593	3,605,328,231	36,053
Issue of share under ESOS	1,037,935	11	3,117,110	31
Preferential allotment of equity shares (refer note 43(vii))	-	-	326,633,165	3,266
Allotment of equity shares under Qualified Institutional placement (QIP) (refer note 43(vii))	-	-	424,242,424	4,243
Issue of equity shares pursuant to amalgamation of VMSL and VInL with the Company (refer note 3) <sup>(1)</sup>	4,375,199,464	43,752	-	-
Equity shares outstanding at the end of the year	8,735,558,329	87,356	4,359,320,930	43,593

<sup>(1)</sup> These shares are allotted as fully paid up pursuant to amalgamation of VMSL and VInL with the Company without payment being received in cash.

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

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

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

Name of the shareholders	As at March 31, 2019		As at March 31, 2018	
	Numbers	% holding in the class	Numbers	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b>				
Grasim Industries Limited	1,008,540,115	11.55%	1,008,540,115	23.14%
Euro Pacific Securities Limited	792,754,922	9.08%	-	-
Prime Metals Limited	664,399,929	7.61%	-	-
Mobilvest	509,502,318	5.83%	-	-
Vodafone Telecommunications (India) Limited	493,851,584	5.65%	-	-
Trans Crystal Limited	444,187,567	5.08%	-	-
Axiata Investments 1 (India) Limited	464,734,670	5.32%	464,734,670	10.66%
Birla TMT Holdings Private Limited <sup>(1)</sup>	-	-	283,798,538	6.51%
Hindalco Industries Limited <sup>(1)</sup>	-	-	228,340,226	5.24%
Axiata Investments 2 (India) Limited <sup>(1)</sup>	-	-	247,265,873	5.67%

<sup>(1)</sup> The percentage of shareholding as at March 31, 2019 is less than 5% and hence not included above.

### (d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option scheme. (refer note 53)



## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>23 OTHER EQUITY</b>		
<b>(i) Capital reserve<sup>(1)</sup></b>		
Opening balance	(12,476)	-
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	165	-
Indemnity liability (refer note 3(C))	(85,015)	-
Pursuant to merger of ABTL with the Company (refer note 43(vi))	-	(12,476)
<b>Closing balance (A)</b>	<b>(97,326)</b>	<b>(12,476)</b>
<b>(ii) Capital reduction reserve<sup>(2)</sup></b>		
Opening balance	-	-
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	277,787	-
<b>Closing balance (B)</b>	<b>277,787</b>	<b>-</b>
<b>(iii) Debenture redemption reserve<sup>(3)</sup></b>		
Opening balance	4,408	1,317
Transferred from retained earnings	-	3,091
<b>Closing balance (C)</b>	<b>4,408</b>	<b>4,408</b>
<b>(iv) Securities premium</b>		
Opening balance	193,354	104,330
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	842,139	-
Premium on issue of shares under ESOS	1	28
Transfer from Outstanding employee stock options reserve on exercise of options	121	310
Stamp duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 3)	(83)	-
Premium on Preferential allotment of shares (Net of share issue expenses of ₹ 35 Mn) (refer note 43(vii))	-	29,198
Premium on allotment of shares under QIP (Net of share issue expenses of ₹ 309 Mn) (refer note 43(vii))	-	30,448
Pursuant to merger of ABTL with the Company (refer note 43(vi))	-	29,040
<b>Closing balance (D)</b>	<b>1,035,532</b>	<b>193,354</b>
<b>(v) Amalgamation adjustment deficit account<sup>(4)</sup></b>		
Opening balance	-	-
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	(488,408)	-
<b>Closing balance (E)</b>	<b>(488,408)</b>	<b>-</b>
<b>(vi) General Reserve</b>		
Opening balance	20,863	20,863
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3) <sup>(5)</sup>	1,393	-
<b>Closing balance (F)</b>	<b>22,256</b>	<b>20,863</b>
<b>(vii) Retained Earnings</b>		
Opening balance	16,135	73,333
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	(118,935)	-
Pursuant to merger of ABTL with the Company (refer note 43(vi))	-	(9,804)
Net Loss for the year	(140,560)	(44,583)
Other Comprehensive Income recognised directly in retained earnings	347	280
Transfer to Debenture redemption reserve	-	(3,091)
<b>Closing balance (G)</b>	<b>(243,013)</b>	<b>16,135</b>

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>(viii) Employee stock options reserve</b>		
Opening balance	802	1,341
Share-based payments expenses (refer note 53)	(12)	(229)
Transfer to Securities premium account on exercise of options	(121)	(310)
<b>Closing balance (H)</b>	<b>669</b>	<b>802</b>
<b>(ix) Business restructuring reserve</b>		
Opening balance	25,409	-
Pursuant to merger of ABTL with the Company (refer note 43(vi))	-	25,409
<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	13,920	-
Pursuant to merger of ABTL with the Company (refer note 43(vi))	-	18,717
Other Comprehensive Income recognised directly in retained earnings	(3,545)	(4,797)
<b>Closing balance (J)</b>	<b>10,375</b>	<b>13,920</b>
<b>Total (A + B + C + D + E + F + G + H + I + J)</b>	<b>547,689</b>	<b>262,415</b>

- (1) Capital reserve comprises of capital receipt, received as compensation from an erstwhile Joint Venture partner for failure to subscribe in the equity shares of VInL in earlier years and indemnity liability (refer note 3(C)) and pursuant of merger of ABTL with the Company.
- (2) Capital reduction reserve was created by VInL on distribution of share of VInL in Indus to share holders of VInL in accordance with capital reduction scheme. This reserve is not available for distribution as dividend.
- (3) The Company was creating Debenture Redemption Reserve (DRR) till March 31, 2018 in accordance with the Companies Act, 2013. However, the reserve available for payment of dividend has turned to a negative value pursuant to amalgamation of VMSL and VInL into the Company. The Company has incurred losses during the current year. Accordingly, the Company is not required to create any further DRR as per the Act and hence no DRR has been created during the year ended March 31, 2019.
- (4) The Company has accounted for the merger of VInL and VMSL with the Company under 'pooling of interest' method. Consequently, investment of VInL in VMSL, share capital of VInL and VMSL has been cancelled. The difference between the face value of shares issued by the Company and the value of shares and investment so cancelled has been recognized in Amalgamation Adjustment Deficit Account. From utilisation perspective, this is an unrestricted reserve.
- (5) Not available for distribution as dividend.

## Notes forming part of the Financial Statements

		₹ Mn	
Particulars	As at March 31, 2019	As at March 31, 2018	
<b>24 LONG TERM BORROWINGS</b>			
<b>Secured Loans</b>			
<b>Redeemable Non-Convertible Debentures (NCDs)</b>	<b>50</b>	4,009	
<b>Term Loans</b>			
<b>Rupee loan</b>			
- From banks	<b>57,424</b>	89,885	
<b>Vehicle loan from banks</b>	<b>5</b>	53	
<b>Total Secured loans</b>	<b>57,479</b>	93,947	
<b>Unsecured Loans</b>			
<b>Redeemable Non-Convertible Debentures (NCDs)</b>	<b>103,527</b>	59,855	
<b>Term Loans</b>			
<b>Foreign currency loan</b>			
- From banks	<b>2,914</b>	4,267	
- From Others	-	22,425	
<b>Rupee loan</b>			
- From Others	<b>3,206</b>	-	
<b>Total Unsecured Loans</b>	<b>109,647</b>	86,547	
<b>Subtotal (A)</b>	<b>167,126</b>	180,494	
<b>Deferred Payment Liabilities towards Spectrum (unsecured) (B)</b>	<b>876,481</b>	388,914	
<b>Deferred Payment Others (unsecured) (C)</b>	<b>422</b>	-	
<b>Total (A + B + C)</b>	<b>1,044,029</b>	569,408	

## (a) (i) Security clause

Type of Borrowing	Outstanding Secured Loan Amount <sup>(1)</sup>		Security Offered <sup>(2)</sup>
	As at March 31, 2019	As at March 31, 2018	
9.45% Redeemable Non Convertible Debentures	<b>3,960</b>	3,960	Pari passu charge only on the tangible fixed assets excluding passive telecom infrastructure.
8.12% Redeemable Non Convertible Debentures	<b>50</b>	50	First pari passu charge on movable fixed assets of the company excluding:
Rupee Loan <sup>(3)</sup>	<b>9,950</b>	9,950	a) Spectrum and Telecom licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive telecom infrastructure.
Rupee Loan <sup>(3)</sup>	<b>80,000</b>	80,000	First charge on all the movable and immovable properties (including intangible assets) of the Company excluding: a) Spectrum and Telecom Licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive Telecom Infrastructure
Vehicle Loans	<b>44</b>	159	Hypothecation of Vehicles against which the loans have been taken.
<b>Subtotal</b>	<b>94,004</b>	94,119	
Unamortised upfront fees	<b>(34)</b>	(66)	
<b>Total</b>	<b>93,970</b>	94,053	

(1) Amounts represent Long term borrowings including current maturities of ₹ 36,491 Mn (March 31, 2018 ₹ 106 Mn).

(2) Security offered does not cover properties/ assets acquired pursuant to amalgamation of VMSL and VInL with the Company.

(3) Term loans are also secured by way of first charge/ assignment ranking pari-passu interse the lenders as above.

## Notes forming part of the Financial Statements

(ii) The Company has also provided charge against certain assets of the Company 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:

- First Pari Passu charge on present and future moveable and current assets of the Company amounting to ₹ 20,000 Mn (March 31, 2018: Nil) and outstanding facility against such security is ₹ 20,000 Mn (March 31, 2018: Nil)<sup>(1)</sup>.
- Second pari passu charge on present and future moveable and current assets of the Company amounting to ₹ 111,750 Mn (March 31, 2018: ₹ 32,500 Mn) and outstanding facility against such security is ₹ 94,095 Mn (March 31, 2018: ₹ 32,500 Mn)<sup>(1)</sup>.
- Second pari passu charge on present and future moveable assets of the Company amounting to ₹ 402 Mn (March 31, 2018: ₹ 19,750 Mn) and outstanding facility against such security is ₹ 402 Mn (March 31, 2018: ₹ 19,750 Mn)<sup>(1)</sup>.

<sup>(1)</sup> Security offered does not cover properties/ assets acquired pursuant to amalgamation of VMSL and VInL with the Company.

### (b) Repayment terms of Long term borrowings as on March 31, 2019

				₹ Mn
Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>				
a) Rupee Loan <sup>(1)</sup>	2,500	47,500	50,000	a) 8 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2019 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026
b) Rupee Loan	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan <sup>(1)</sup>	30,000	-	30,000	Repayable in 20 equal quarterly installments starting September, 2021
d) 9.45% Redeemable Non Convertible Debentures	3,960	-	3,960	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹ 10 each, aggregating to ₹ 6,040 Mn. with an option to re-issue the same in future)
e) 8.12% Redeemable Non Convertible Debentures	-	50	50	Repayable in February, 2024 (Out of the 10,000 NCDs issued in FY 2017, the Company has re-purchased 9,950 NCDs of ₹ 1 each, aggregating to ₹ 9,950 Mn with an option to re-issue the same in future)
f) Vehicle Loans	39	5	44	Equal monthly installments over the term of the loan ranging from 2 to 5 years
<b>Sub-Total</b>	<b>36,499</b>	<b>57,505</b>	<b>94,004</b>	
Unamortised upfront fees	(8)	(26)	(34)	
<b>Sub-Total (A)</b>	<b>36,491</b>	<b>57,479</b>	<b>93,970</b>	

## Notes forming part of the Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(ii) Unsecured Loans</b>				
a) Foreign currency Loan <sup>(1)</sup>	1,271	329	1,600	a) 1 quarterly installment of USD 4.125 Mn (₹ 285 Mn) payable in April, 2019. b) 4 equal quarterly installments of USD 4.75 Mn (₹ 329 Mn) starting July, 2019.
b) Foreign currency Loan <sup>(1)</sup>	655	2,294	2,949	9 equal half yearly installments starting April, 2019
c) Foreign currency Loan <sup>(1)</sup>	1,640	-	1,640	5 equal half yearly installments starting May, 2019
d) Foreign currency Loan <sup>(1)</sup>	1,090	-	1,090	5 equal half yearly installments starting May, 2019
e) Foreign currency Loan <sup>(1)</sup>	21,164	-	21,164	3 equal annual installments starting June, 2020
f) Foreign Currency Loan	494	-	494	2 equal half yearly installments starting September, 2019.
g) Foreign Currency Loan	-	247	247	Repayable in September 2020
h) Foreign Currency Loan	-	50	50	Repayable in March 2021
i) Rupee Term Loan <sup>(1)</sup>	40,000	-	40,000	4 equal quarterly installments starting September, 2022
j) Rupee Term Loan	1,048	2,413	3,461	Repayable in Half yearly installments starting from April 2019 to December 2023.
k) Rupee Term Loan	3,628	792	4,420	Repayable in Quarterly installments starting from April 2019 to July 2020.
l) Rupee Term Loan <sup>(1)</sup>	10,000	-	10,000	Repayable in 4 equal quarterly installments starting October 2022
m) 7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
n) 7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
o) 8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022
p) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
q) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022
r) 10.90% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
s) 8.15% Redeemable Non Convertible Debentures	25,000	-	25,000	Repayable in July, 2019
t) 8.25% Redeemable Non Convertible Debentures	-	28,750	28,750	Repayable in July, 2020 (Out of the 35,000 NCDs issued in FY 2015-16, the Company has re-purchased 6,250 NCDs of ₹ 1 Mn each, aggregating to ₹ 6,250 Mn with an option to re-issue the same in future).
<b>Sub-Total</b>	<b>105,990</b>	<b>109,875</b>	<b>215,865</b>	
Unamortised upfront fees	(9)	(228)	(237)	
<b>Sub-Total (B)</b>	<b>105,981</b>	<b>109,647</b>	<b>215,628</b>	

## Notes forming part of the Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(iii) Deferred Payment Liability (DPL) towards spectrum acquired in</b>				
a) November - 2012 auctions	538	10,791	11,329	12 equal annual installments starting December, 2019
b) February - 2014 auctions	8,887	210,042	218,929	a) ₹ 216,139 Mn and Interest thereon will be repaid in 13 equal annual installments starting March, 2020 b) ₹ 2,790 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019
c) March - 2015 auctions	15,067	463,905	478,972	a) ₹ 477,445 Mn and Interest thereon will be repaid in 15 equal annual installments starting April, 2019 b) ₹ 1,527 Mn and Interest thereon will be repaid in 16 equal annual installments starting September, 2019
d) October - 2016 auctions	5,836	191,743	197,579	16 equal annual installments starting October, 2019
<b>Sub-Total (C)</b>	<b>30,328</b>	<b>876,481</b>	<b>906,809</b>	
<b>(iv) Deferred Payment Others (D)</b>	<b>1,363</b>	<b>422</b>	<b>1,785</b>	Repayable in quarterly/ yearly installment from June, 2019 to June, 2021
<b>Grand Total (A + B + C + D)</b>	<b>174,163</b>	<b>1,044,029</b>	<b>1,218,192</b>	

<sup>(1)</sup> Some of the Company's loans are subjected to covenant clauses, whereby the Company is required to meet certain specified financial ratios. The Company has not met certain financial ratios for some of these arrangements, the gross outstanding amount for which as at March 31, 2019 was ₹ 158,443 Mn. Waivers for loans of ₹ 55,596 Mn has been received as of reporting date and the balance ₹ 102,802 Mn has been re-classified from non-current borrowings to current maturities of long term debt. The unamortised arrangement fees on such borrowings of ₹743 Mn has been charged in statement of profit and loss. As on the reporting date, none of the banks have approached for early repayment and the Company is confident that this will not result in any acceleration of repayment.

## Repayment terms of Long term borrowings as on March 31, 2018

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>				
a) Rupee Loan	-	50,000	50,000	a) 8 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2019 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026
b) Rupee Loan	-	9950	9950	Repayable in February, 2024
c) Rupee Loan	-	30,000	30,000	Repayable in 20 equal quarterly installments starting September, 2021

## Notes forming part of the Financial Statements

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
d) 9.45% Redeemable Non Convertible Debentures	-	3,960	3,960	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹ 10 each, aggregating to ₹ 6,040 Mn with an option to re-issue the same in future)
e) 8.12% Redeemable Non Convertible Debentures	-	50	50	Repayable in February, 2024 (Out of the 10,000 NCDs issued in FY 2017, the Company has re-purchased 9,950 NCDs of ₹ 1 each, aggregating to ₹ 9,950 Mn with an option to re-issue the same in future)
f) Vehicle Loans	106	53	159	Equal monthly installments over the term of the loan ranging from 2 to 5 years
<b>Sub-Total</b>	<b>106</b>	<b>94,013</b>	<b>94,119</b>	
Unamortised upfront fees	-	(66)	(66)	
<b>Sub-Total (A)</b>	<b>106</b>	<b>93,947</b>	<b>94,053</b>	
<b>(ii) Unsecured Loans</b>				
a) Foreign currency Loan	1,073	1,504	2,577	a) 5 equal quarterly installments of USD 4.125 Mn (₹ 268 Mn) starting from April, 2018. b) 4 equal quarterly installments of USD 4.75 Mn (₹ 309 Mn) starting from July, 2019.
b) Foreign currency Loan	616	2,773	3,389	11 equal half yearly installments starting April, 2018
c) Foreign currency Loan	1,027	2,568	3,595	7 equal half yearly installments starting May, 2018
d) Foreign currency Loan	-	19,901	19,901	3 equal annual installments starting June, 2020
e) Foreign currency Loan	4,683	-	4,683	Repayable in June, 2018
f) 7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
g) 7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
h) 8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022
i) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
j) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022
<b>Sub-Total</b>	<b>7,399</b>	<b>86,746</b>	<b>94,145</b>	
Unamortised upfront fees	(12)	(199)	(211)	
<b>Sub-Total (B)</b>	<b>7,387</b>	<b>86,547</b>	<b>93,934</b>	

## Notes forming part of the Financial Statements

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(iii) Deferred Payment Liability (DPL) towards spectrum acquired in</b>				
a) November - 2012 auctions	-	10,322	10,322	12 equal annual installments starting December, 2019
b) February - 2014 auctions	2,734	76,289	79,023	a) ₹ 76,487 Mn and interest thereon will be repaid in 14 equal annual installments starting March, 2019. b) ₹ 2,536 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019.
c) March - 2015 auctions	-	232,362	232,362	a) ₹ 230,974 Mn and interest thereon will be repaid in 15 equal annual installments starting April, 2019. b) ₹ 1,388 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019.
d) October - 2016 auctions	-	69,941	69,941	16 equal annual installments starting October, 2019
<b>Sub-Total (C)</b>	<b>2,734</b>	<b>388,914</b>	<b>391,648</b>	
<b>Grand Total (A + B + C)</b>	<b>10,227</b>	<b>569,408</b>	<b>579,635</b>	

(c) Interest rate for Rupee Term Loan ranges from 4.0% to 10.90%, Foreign currency Loan ranges from 2.63% to 5.48% and Deferred Payment Liability towards spectrum ranges from 9.30% to 10.0%.

(d) During the year ended March 31, 2019, the Group has re-financed Loans worth ₹ Nil (March 31, 2018: ₹ 23,734 Mn).

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>25 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
Security deposits	25	23
Payables for capital expenditure	13,431	-
Interest accrued but not due on deferred payment liability	4	26,039
Indemnity liability (refer note 3(C))	83,923	-
<b>Total</b>	<b>97,383</b>	26,062
<b>26 LONG TERM PROVISIONS</b>		
Gratuity (refer note 54)	2,298	1,522
Compensated absences	968	1,480
Asset retirement obligation (refer note 52)	126	78
<b>Total</b>	<b>3,392</b>	3,080
<b>27 OTHER NON-CURRENT LIABILITIES</b>		
Deferred Revenue	4,100	4,919
Others	135	682
<b>Total</b>	<b>4,235</b>	5,601



## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>28 SHORT TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Bank overdraft <sup>(1)</sup>	304	1
Short term loan from bank <sup>(2)</sup>	30,318	-
<b>Unsecured Loans</b>		
Bank overdraft	566	216
Short term loan from banks	5,800	-
Buyer credits	2,720	-
Short term loans from others	1,499	-
<b>Total</b>	<b>41,207</b>	<b>217</b>

<sup>(1)</sup> Secured by way of pari passu second charge on movable and immovable assets of the Company and does not cover properties/assets acquired pursuant to amalgamation of VM SL and VInL with the Company.

<sup>(2)</sup> As at March 31, 2019, the Company has pledged 43,376 equity shares of Indus held by the Company as security (refer note 10).

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>29 OTHER CURRENT FINANCIAL LIABILITIES</b>		
Current maturities of long term debt (refer note 24(a) and 24(b))	174,163	10,227
Payable for capital expenditure	57,002	29,523
Interest accrued but not due on borrowings	64,146	1,769
Unpaid dividend	4	4
Derivative liabilities at fair value through profit or loss	812	112
Security deposits from customers and others	4,500	2,185
<b>Total</b>	<b>300,627</b>	<b>43,820</b>
<b>30 OTHER CURRENT LIABILITIES</b>		
Advance from customers and deferred revenue	25,857	14,066
Taxes, regulatory and statutory liabilities (includes provision with respect to subjudice matter related to licensing dispute)	42,931	12,395
Others	33	64
<b>Total</b>	<b>68,821</b>	<b>26,525</b>
<b>31 SHORT TERM PROVISIONS</b>		
Gratuity (refer note 54)	163	-
Compensated absences	191	202
Asset retirement obligation (refer note 52)	17	16
<b>Total</b>	<b>371</b>	<b>218</b>

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>32 OTHER OPERATING INCOME</b>		
Liabilities no longer required written back	579	198
Miscellaneous receipts	341	88
<b>Total</b>	<b>920</b>	<b>286</b>
<b>33 OTHER INCOME</b>		
Interest income	734	2,067
Dividend Income	2,990	2,657
Gain on Mutual Funds (including fair value gain/ (loss))	7,009	1,341
<b>Total</b>	<b>10,733</b>	<b>6,065</b>
<b>34 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	18,374	12,489
Contribution to provident and other funds (refer note 54)	1,406	1,056
Share based payment expenses (ESOS) (refer note 53) <sup>(1)&amp;(2)</sup>	242	(224)
Staff welfare	989	548
Recruitment and training	198	99
<b>Total</b>	<b>21,209</b>	<b>13,968</b>
<sup>(1)</sup> Includes expenses on account of cash settled ESOP ₹ 254 Mn (March 31, 2018: ₹ Nil).		
<sup>(2)</sup> The charge for the year is net of reversal on account of cancellation of unvested options ₹ 12 Mn (March 31, 2018: ₹ 229 Mn).		
<b>35 NETWORK EXPENSES AND IT OUTSOURCING COST</b>		
Security service charges	431	393
Power and fuel	56,686	29,226
Repairs and maintenance - plant and machinery	21,422	9,999
Switching and cellsites rent	1,307	499
Lease line and connectivity charges	3,853	1,219
Network insurance	258	156
Passive infrastructure charges	74,571	49,608
Other network operating expenses	2,337	1,180
IT outsourcing cost	8,404	5,169
<b>Total</b>	<b>169,269</b>	<b>97,449</b>
<b>36 LICENSE FEES AND SPECTRUM USAGE CHARGES</b>		
License fees	26,453	19,769
Spectrum usage charges	12,790	8,898
<b>Total</b>	<b>39,243</b>	<b>28,667</b>

## Notes forming part of the Financial Statements

		₹ Mn	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	
<b>37 ROAMING AND ACCESS CHARGES</b>			
Roaming charges	4,220	3,794	
Access charges	37,470	31,564	
<b>Total</b>	<b>41,690</b>	<b>35,358</b>	
<b>38 SUBSCRIBER ACQUISITION AND SERVICING EXPENDITURE</b>			
Cost of sim and recharge vouchers	1,335	1,357	
Commission to dealers and others	19,465	19,640	
Customer verification expenses	580	1,336	
Collection, telecalling and servicing expenses	6,227	5,155	
Customer retention and customer loyalty expenses	955	1,663	
<b>Total</b>	<b>28,562</b>	<b>29,151</b>	
<b>39 ADVERTISEMENT, BUSINESS PROMOTION EXPENDITURE AND CONTENT COST</b>			
Advertisement & Business promotion expenditure	4,916	4,024	
Content cost	5,470	4,123	
<b>Total</b>	<b>10,386</b>	<b>8,147</b>	
<b>40 OTHER EXPENSES</b>			
Repairs and maintenance			
Building	145	153	
Others	3,367	915	
Other insurance	47	37	
Non network rent	2,726	1,627	
Rates and taxes	311	62	
Electricity	908	540	
Printing and stationery	86	76	
Communication expenses	165	125	
Travelling and conveyance	1,031	797	
Bad debts/ advances written off	28	53	
Allowances for doubtful debts and advances (refer note 51)	2,278	1,493	
Gain on disposal of property, plant and equipment (net)	(86)	(149)	
Bank charges	797	335	
Directors Sitting Fees (refer note 60)	4	4	
Legal and professional charges	1,048	1,112	
Audit fees	94	37	
CSR expenditure (refer note 56)	15	204	
Support service charges (refer note 60)	3,152	-	
Miscellaneous expenses	3,324	1,682	
<b>Total</b>	<b>19,440</b>	<b>9,103</b>	

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>41 FINANCE COSTS</b>		
Interest		
– On fixed period loan (Net of ₹ 612 Mn capitalised, March 31, 2018: ₹ 1,408 Mn)	23,207	11,770
– On deferred payment liability towards spectrum (Net of ₹ 1,936 Mn capitalised, March 31, 2018: ₹ 1,836 Mn)	67,335	35,823
– Others	465	605
Other finance charges	363	83
<b>Total interest expense</b>	<b>91,370</b>	<b>48,281</b>
Exchange difference (net) (Net of ₹ 397 Mn capitalised, March 31, 2018: ₹ (192) Mn (de-capitalised))	340	877
Loss/ (gain) on derivatives (including fair value changes on derivatives)	3,003	(41)
Change in investment value on merger of IMCSL with ABIPBL	-	(149)
<b>Total</b>	<b>94,713</b>	<b>48,968</b>
<b>42 EXCEPTIONAL ITEMS (NET)</b>		
Income from sale of ICISL (refer note 43(i))	37,644	-
Integration and merger related costs		
– Site exit cost (refer note 43(viii))	(20,170)	-
– Accelerated depreciation on account of network re-alignment	(5,589)	-
– Others	(6,437)	-
Re-assessment of certain estimates and accrual	7,646	-
Others	(727)	-
<b>Total</b>	<b>12,367</b>	<b>-</b>
Deferred tax impact on above	(6,077)	-

**43 SIGNIFICANT TRANSACTIONS/ NEW DEVELOPMENTS**

- i) On November 13, 2017, the Company entered into a Share Purchase Agreement with ATC Telecom Infrastructure Private Limited (ATC) for sale of its entire shareholding in Idea Cellular Infrastructure Services Limited (ICISL), a wholly owned subsidiary to ATC subject to regulatory approvals. Hence, effective November 13, 2017, in line with the requirements of Ind AS 105 – “Non-current Assets held for sale and Discontinued operations”: total assets and total liability have been reclassified as Assets and liabilities held for sale. The transaction was finally consummated on May 31, 2018.

Accordingly, the Company has recognized a gain of ₹ 37,644 Mn (net of expenses of ₹ 9 Mn) being the difference between the consideration and net assets of ICISL included in the financial statements as of the effective date and disclosed it as an exceptional item in the financial statements. The related deferred tax charge is ₹ 13,235 Mn.

- ii) The Company has 49% investment in Aditya Birla Idea Payments Bank Limited (ABIPBL), a Payments Bank. Vodafone M-Pesa Limited (VMPL), a 100% subsidiary of erstwhile VnL is into the business of Prepaid Payment Instruments (PPI) and Business Correspondence (BC). With the merger of ICL and erstwhile VnL on August 31, 2018, the Company became a promoter in both the entities. RBI had permitted VMPL to continue with the PPI business till March 31, 2019 with the condition of not onboarding new customers and no increase in the balance of existing customers.

VMPL has, however, applied to the RBI for a fresh re-look/ extension to continue operations after March 31, 2019 while also evaluating the option of merging the PPI and Business Correspondence (BC) streams with the associate entity/ any willing third party (subject to regulatory approvals). Accordingly, the Company has classified the investment of VMPL as Held for Sale (AHFS) (Net investment of ₹ Nil (Investment of ₹ 271 Mn and impairment provision on investment ₹ 271 Mn after merger of VMSL and VnL with the Company)).

- iii) On November 14, 2018, the Board of Directors of the Company approved the scheme of arrangement under section 230 to 232 of the Companies Act, 2013 between its wholly owned subsidiary VTL and VIL for transfer of Fibre Infrastructure assets and liabilities of the Company on an ‘as is basis’ to VTL. The scheme has been filed with the NCLT Ahmedabad after stock exchange approval. The transaction has not been consummated till March 31, 2019.

- iv) Pursuant to agreement entered into by the Company, Bharti Airtel Limited and Vodafone Group for merging Indus Towers Limited (Indus) into Bharti Infratel Limited (BIL) which is subject to requisite regulatory/ corporate approvals and certain closing conditions, the Company has an option to either sell its 11.15% stake to BIL before the merger based on a predetermined pricing formula, or

## Notes forming part of the Financial Statements

receive shares on merger of the enlarged merged entity at an agreed share exchange ratio, as a part of the merger scheme. Till the time the decision on the option is taken, Indus continues to be accounted for as a joint venture of the Group and reflected as a non-current investment.

- v) The Scheme of Amalgamation of Idea Mobile Commerce Services Limited (IMCSL), a wholly owned subsidiary with Aditya Birla Idea Payments Bank limited (ABIPBL), an associate was approved by the Hon'ble Mumbai High Court. The merger was subject to certain regulatory approvals and other conditions which got fulfilled on February 22, 2018. Accordingly, effective this date IMCSL merged with ABIPBL. During the previous year, pursuant to the merger, the Company was allotted 104,869,800 equity shares of ABIPBL in lieu of the shares held in IMCSL. The Company holds 49% stake in ABIPBL.
- vi) On September 20, 2018, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Aditya Birla Telecom Limited (ABTL), a wholly owned subsidiary, with the Company with an appointed date of April 1, 2018. During the year, the Company has received the requisite regulatory approvals and the merger became effective on November 30, 2018 on filing the certified copies of the orders sanctioning the scheme with the RoC. This transaction has been accounted as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of ABTL.

Further, in accordance with Ind-AS 103 'Business Combinations', the Company has restated the financial statements for the previous year presented in these financial statements even though the title, obligations and compliances related to these balances till the effective date remain with ABTL. The position of assets, liabilities and equity of ABTL as at the beginning and end of the previous year is as below.

Particulars	₹ Mn	
	As at March 31, 2018	As at April 1, 2017
<b>Assets</b>		
<b>Non-current assets</b>		
Investment accounted using equity method	66,179	72,225
Other non-current assets	23	16
<b>Total non-current assets</b>	<b>66,202</b>	<b>72,241</b>
<b>Current assets</b>		
Current investments	10,850	7,672
Other current assets	-	7
<b>Total current assets</b>	<b>10,850</b>	<b>7,679</b>
<b>Total Assets</b>	<b>77,052</b>	<b>79,920</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity Share capital	100	100
Other equity	61,789	63,430
<b>Total equity</b>	<b>61,889</b>	<b>63,530</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	15,157	16,389
<b>Total non-current liabilities</b>	<b>15,157</b>	<b>16,389</b>
<b>Current liabilities</b>		
Trade payables	6	1
<b>Total current liabilities</b>	<b>6</b>	<b>1</b>
<b>Total Equity and Liabilities</b>	<b>77,052</b>	<b>79,920</b>

Further, the investment of the Company in ABTL amounting to ₹ 16,328 Mn and deferred tax liability created by the Company on ABTL investments and intercompany transactions amounting to ₹ 3,801 Mn stand reversed as of March 31, 2017.

Further, the following profit and loss effects up to November 29, 2018 pertaining to ABTL have been included in the statement of profit and loss of the Company.

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	For the period ended November 29, 2018	For the year ended March 31, 2018
<b>Income</b>		
Other income	3,651	3,360
<b>Total income</b>	<b>3,651</b>	3,360
<b>Operating expenditure</b>		
Other expenses	7	14
<b>Total expenses</b>	<b>7</b>	14
<b>Profit before tax</b>	<b>3,644</b>	3,346
Tax expense:		
- Current tax	-	173
- Deferred tax	130	18
<b>Profit after tax</b>	<b>3,514</b>	3,155
<b>Other comprehensive income (OCI)</b>		
Fair value gain/ (loss) on equity instruments at FVTOCI	(16,647)	(6,047)
Income tax effect	3,829	1,250
<b>Other comprehensive loss, net of tax</b>	<b>(12,818)</b>	(4,797)
<b>Total comprehensive loss</b>	<b>(9,304)</b>	(1,642)

Further, as the transactions and year end balances between the Company and ABTL have been eliminated in the financial statements, effects of the same have also been reflected in the related party disclosures (refer note 60).

- vii) After the requisite shareholders' approval, the Company, during the previous year, has issued and allotted 326,633,165 equity shares of face value of ₹ 10 to entities forming part of promoter/ promoter group on preferential basis at a price of ₹ 99.50 per equity share, including a premium of ₹ 89.50 per equity share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 32,500 Mn.

The Company has also issued and allotted 424,242,424 equity shares of face value of ₹ 10 each to eligible Qualified Institutional Buyers at a price of ₹ 82.50 per equity share, including a premium of ₹ 72.50 per equity share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 35,000 Mn.

- viii) Prior to the merger, ICL and erstwhile Vodafone were having tenancies on the same tower of various infrastructure service providers. Post the merger, these two tenancies on a single tower have been converted to a single tenancy with a higher loading as per the terms of the Master Service Agreement (MSA).

The Company has given notices to the infrastructure providers to exit certain additional sites based on its ongoing network integration plan. The Company has estimated that the combined settlement amount for tenancy conversion and additional exits undertaken till March 31, 2019 and has accordingly accrued an amount of ₹ 20,170 Mn towards such exit charges and disclosed as exceptional item in the statement of profit and loss for the year ended March 31, 2019.

#### 44 CAPITAL AND OTHER COMMITMENTS

Estimated amount of commitments are as follows:

- Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 31,455 Mn (March 31, 2018: ₹ 12,980 Mn)
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 53,076 Mn (March 31, 2018: ₹ 18,713 Mn)

## Notes forming part of the Financial Statements

### 45 CONTINGENT LIABILITIES NOT PROVIDED FOR

#### A) Licensing Disputes:

##### i. One Time Spectrum Charges (Beyond 4.4 MHz):

In financial year 2012-13, DoT had issued demand notices towards one time spectrum charges

- For spectrum beyond 6.2 MHz in respective service areas for retrospective period from July 1, 2008 to December 31, 2012, amounting to ₹ 10,687 Mn (March 31, 2018: ₹ 3,691 Mn), and
- For spectrum beyond 4.4 MHz in respective service areas effective January 1, 2013 till expiry of the period as per respective licenses amounting to ₹ 57,254 Mn (March 31, 2018: ₹ 17,444 Mn)

The Company believes the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay/ TDSAT, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay/ TDSAT has directed the DoT, not to take any coercive action until the matter is further heard.

- During the year when the matter of erstwhile VInL and erstwhile VMSL merging with the company was taken up with DoT for approval. DoT while granting the approval demanded that the Company submits a revised bank guarantee towards one-time spectrum fees beyond 4.4 MHz amounting to ₹ 33,224 Mn (March 31, 2018: Nil) as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014. The Company complied with the aforesaid demand and submitted the bank guarantee to DoT under protest. In September 2018, the Company approached TDSAT, seeking return of BG of ₹ 33,224 Mn. On January 21, 2019, the Company has received a favourable order from TDSAT directing DoT to release the bank guarantee of ₹ 21,135 Mn within 2 months. The Company has filed letter with DoT to release the bank guarantee. DoT reply is awaited. As at March 31, 2019, the matter is sub-judice.

##### ii. One Time Spectrum Charges (Less than 4.4 MHz):

In FY 2015-16 erstwhile VMSL received demands from DoT towards One time spectrum charges for less than 4.4 MHz pursuant to the transfer of licenses of certain subsidiaries amounting to ₹ 33,495 Mn. The Company believes the charges levied by DoT are not tenable, since the merger guidelines are not applicable considering that the said merger did not involve any intra-circle merger and did not result in increase in spectrum holding of the Company. The demand is challenged and remains sub-judice at TDSAT.

Also, in FY 2015-16, erstwhile VMSL received demand from DoT towards extension of license of Tamil Nadu circle for making it co-terminus with license of Chennai circle amounting to ₹ 5,075 Mn. The Company believes the charges levied by DoT are not tenable, considering the merger of licenses is as per the guidelines issued by DoT in 2005 and as such does not get covered under as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014. The demand is challenged and remains sub-judice at TDSAT.

##### iii. Other Licensing Disputes - ₹ 171,236 Mn (March 31, 2018: ₹ 107,710):

- Above amount for the year ended March 31, 2018 include matters considered remote of ₹ 76,992 Mn
- Demands due to difference in interpretation of definition of adjusted gross revenue (AGR) and other license fee assessment related matters. Most of these demands are currently before the Hon'ble TDSAT, Hon'ble High Court and Hon'ble Supreme Court.
- The Company has received various demand notes from DoT on account of licensee fees and spectrum usage charges for the period 2007-08 to 2015-16. These demands include amounts raised by DoT based on special audit done by agencies relating to certain contentious matters which are sub-judice and pending at various courts and certain disallowances as a result of submission of factual supporting/ information/ data by the Company. The Company has not disclosed demands raised which it believes are remote as per its assessments and largely relating to submission of factual data/ information.
- Disputes relating to alleged non-compliance of licensing conditions & other disputes with DoT, 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 erstwhile VInL and erstwhile VMSL to provide an undertaking that the pricing and allocation decisions of DoT would be considered final in this respect. Erstwhile VInL and erstwhile VMSL had not provided the said undertaking or signed the agreement being against the express and binding confirmations under

## Notes forming part of the Financial Statements

NIA and had challenged the DoT guidelines in TDSAT. Recently on March 13, 2019, TDSAT issued judgement stating that microwave guidelines dated October 16, 2015 cannot be applied to the petitioner ('The Company'), however it did not grant any relief on the ongoing issue relating to microwave rates. The Company has approached TDSAT seeking clarification on its recent judgment. As at March 31, 2019 the matter is sub judice.

### B) Other Matters not acknowledged as debts

₹ Mn

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax matters (see note i below)	14,477	22,829
Sales tax and entertainment tax matters (see note ii below)	1,199	1,175
Service tax/ Goods and Service Tax (GST) matters (see note iii below)	15,626	3,249
Entry tax and customs matters (see note iv below)	4,610	385
Other claims (see note vi below)	12,621	4,513
Total (A)	48,533	32,151
Demand considered as Remote (B)	-	18,944
<b>Total (C) = [A – B]</b>	<b>48,533</b>	<b>13,207</b>

#### i. Income Tax Matters (including Tax deducted at source)

- Appeals filed by the Company against the demands raised by the Income Tax Authorities relates to disputes on non-applicability of tax deductions at source on prepaid margin allowed to prepaid distributors & roaming settlement, disputes relating to denial of tax holiday benefit from certain business receipts etc.

The matters are contested by the Company at various appellate authorities against the tax authorities.

#### ii. Sales Tax and Entertainment Tax

- Sales Tax demands mainly relates to the demands raised by the VAT/ Sales Tax authorities of few states on Broadband Connectivity, SIM cards etc. on which the Company has already paid Service Tax.
- Demand of tax for non-submission of declaration forms viz. C forms & F forms in stipulated time limit.
- In one state entertainment tax is being demanded on revenue from value added services. However, the Company has challenged the constitutional validity of the levy.

#### iii. Service Tax/ Goods and Service Tax (GST)

Service Tax/ GST demands mainly relates to the following matters:

- Denial of Cenvat credit related to towers and shelters;
- Disallowance of Cenvat Credit on input services viewed as ineligible credit;
- Demand of service tax on SMS termination charges, demand of service tax on reversal of input credit on various matters including on removal of passive infrastructure;
- Demand of tax on telecommunication services provided to employees;
- Demand of interest on the credit availed but not utilized.

#### iv. Entry Tax and Customs

- Entry Tax disputes pertains to classification/ valuation of goods.
- Demand of customs duty/ anti-dumping duty on dispute relating to classification issue. The Company has challenged these demands which are pending at various forums.

#### v. Other claims not acknowledged as debts

- Mainly include consumer forum cases, disputed matters with local Municipal Corporation, Electricity Board and other miscellaneous sub-judiced disputes.

The future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. Further, based on the Company's evaluation, it believes that it is not probable that the claims will materialise and therefore, no provision has been recognised for the above.



## Notes forming part of the Financial Statements

- C) P5 Asia Holdings Investments (Mauritius) Limited (P5) has a right to sell equity share of Indus Towers Limited (Indus) held by P5 to the Company at its fair value in the event of non-meeting certain conditions. Such right is suspended pursuant to the proposed merger of Indus with BIL effective from April 25, 2018 until the date of merger.

### 46 OPERATING LEASE

#### (a) Company as lessee

The Company has entered into non-cancellable operating leases for offices, switches and cell sites for periods ranging from 36 months to 240 months.

Lease payments amounting to ₹ 78,769 Mn (March 31, 2018: ₹ 51,560 Mn) are included in passive infrastructure charges, non-network rent and switching and cellsite rent in the Statement of Profit and Loss. Terms of the lease include operating term for renewal, increase in rent in future periods and terms for cancellation, where applicable.

Future minimum lease rentals payable under non-cancellable operating leases are as follows: ₹ Mn

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Within one year	77,351	45,615
After one year but not more than five years	216,456	145,998
More than five years	69,153	37,889

#### (b) Company as lessor

The Company has leased certain Optical Fibre Cables pairs (OFC) on Indefeasible Rights of Use ("IRU") basis and certain cell sites under operating lease arrangements. The gross block, accumulated depreciation and depreciation expense of the assets given on lease are not separately identifiable and hence not disclosed.

Future minimum lease rentals receivable under non-cancellable operating leases are as follows: ₹ Mn

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Within one year	-	335

- 47 The Company, till February 28, 2019, had composite IT outsourcing agreements where in Property, plant and equipment, computer software and services related to IT were supplied by the vendor. Such Property, plant and equipment received were accounted for as finance lease. Correspondingly, such assets were recorded at fair value at the time of receipt and depreciated on the stated useful life applicable to similar IT assets of the Company.

### 48 DETAILS OF CURRENT INVESTMENTS

Particulars	As at March 31, 2019		As at March 31, 2018	
	Qty in '000 Units	₹ Value	Qty in '000 Units	₹ Value
Birla Sun Life Cash Plus - Direct - Growth	134,731	40,484	136,220	38,049
HDFC Liquid Fund - Direct - Growth	1,355	4,983	-	-
YES BANK MF -Direct- Growth	701	704	-	-
L&T Liquid Fund - Direct - Growth	333	854	366	871
Reliance Liquid Fund - Direct - Growth	878	4,006	-	-
ICICI Prudential Liquid Fund -Direct- Growth	8,397	2,321	19,629	5,047
SBI Liquid Fund - Direct - Growth	1,416	4,147	-	-
Axis Liquid Fund - Direct - Growth	556	1,153	-	-
UTI-Liquid Cash Plan -Direct- Growth	920	2,814	-	-
DSP Liquidity Fund - Direct - Growth	1,089	2,912	-	-
Invesco India Liquid Fund - Direct - Growth	396	1,020	196	469
Tata Liquid Fund - Direct - Growth	507	1,492	-	-
HDFC Cash Management Fund - Savings Plan - Direct - Growth	-	-	1,344	4,873
SBI Premier Liquid Fund - Direct - Growth	-	-	2,301	6,269
Tata Money Market Fund - Regular - Growth	-	-	202	551
<b>Total</b>	<b>151,279</b>	<b>66,890</b>	<b>160,258</b>	<b>56,129</b>

## Notes forming part of the Financial Statements

### 49 DETAILS OF FOREIGN CURRENCY EXPOSURES

#### A. Hedged by a Derivative Instrument

₹ Mn

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	51	53
Equivalent INR of Foreign Currency Loan <sup>(1)</sup>	3,413	3,566
<b>Trade Payables and Other current financial liability</b>		
Trade Payables and Other current financial liability in USD	272	67
Interest accrued but not due on Foreign Currency Loans in USD	1	-*
Equivalent INR of Trade Payables and Other current financial liability <sup>(1)</sup>	19,891	4,443

<sup>(1)</sup> Amount in INR 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, 2019	As at March 31, 2018
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	411	472
Equivalent INR of Foreign Currency Loan <sup>(1)</sup>	28,429	30,714
<b>Trade Payables and Other current financial liability</b>		
In USD	433	181
In EURO	56	-*
In GBP	-	-*
Interest accrued but not due on Foreign Currency Loans in USD	-	-*
Equivalent INR of Trade Payables and other current financial liability in Foreign Currency <sup>(1)</sup>	34,312	11,789
<b>Trade Receivables</b>		
In USD	56	20
In EURO	1	-*
In GBP	11	-*
<b>Balances with banks-In current accounts in USD</b>	3	-
Equivalent INR of Trade Receivables and bank balances in Foreign Currency <sup>(1)</sup>	5,147	1,347

<sup>(1)</sup> Amount in INR represents conversion at closing rate.

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

### 50 INFORMATION AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

₹ Mn

Particulars	As at March 31, 2019	As at March 31, 2018
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	157	4
(ii) The interest due on above	10	-
<b>The total of (i) &amp; (ii)</b>	167	4
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	749	-
d) The amounts of interest accrued and remaining unpaid at the end of financial year	21	-
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	12	-

## Notes forming part of the Financial Statements

## 51 MOVEMENT OF ALLOWANCES FOR DOUBTFUL DEBTS/ ADVANCES

₹ Mn

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	7,792	6,299
Addition on amalgamation of VMSL and VInL (refer note 3)	6,649	-
Charged to Statement of Profit and Loss (net) (refer note 40)	2,278	1,493
<b>Closing Balance</b>	<b>16,719</b>	<b>7,792</b>

## 52 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:

₹ Mn

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
Opening balance	94	77
Addition on amalgamation of VMSL and VInL (refer note 3)	55	-
Additional provision	2	9
Unwinding of discount	9	9
Utilisation	(17)	(1)
<b>Closing balance</b>	<b>143</b>	<b>94</b>

## 53 SHARE BASED PAYMENTS

## a) Employee stock option plan - options granted by Vodafone Idea Limited

The Company has granted stock options under the employee stock option scheme (ESOS) 2006 and stock options as well as restricted stock units (RSU's) under ESOS 2013 to the eligible employees of the Company and its subsidiaries from time to time. These options, subject to fulfilment of vesting conditions, would vest in 4 equal annual installments after one year of the grant and the RSU's will vest after 3 years from the date of grant. The maximum period for exercise of options and RSU's is 5 years from the date of vesting. Each option and RSU when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the Company. The options granted under ESOS 2006 and options as well as RSUs granted under the ESOS 2013 scheme carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the options/ RSU's during the year ended March 31, 2019 and March 31, 2018. During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOS 2013. As at year ended March 31, 2019 and March 31, 2018, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
<b>i) Options granted under ESOS 2006</b>				
Options outstanding at the beginning of the year	526,677	63.90	1,217,151	58.80
Options exercised during the year	19,087	57.77	609,912	54.43
Options cancelled during the year	33,387	59.20	14,625	65.09
Options expired during the year	296,577	61.84	65,937	57.15
Options outstanding at the end of the year	177,626	68.86	526,677	63.90
Options exercisable at the end of the year	177,626	68.86	526,677	63.90
Range of exercise price of outstanding options (₹)	68.86 - 68.86		57.55 - 68.86	
Remaining contractual life of outstanding options (months)	10		13	

## Notes forming part of the Financial Statements

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
<b>ii) Options granted under ESOS 2013</b>				
Options outstanding at the beginning of the year	13,096,614	126.35	18,972,641	126.28
Options cancelled during the year	572,460	124.01	5,876,027	126.13
Options outstanding at the end of the year	12,524,154	126.46	13,096,614	126.35
Options exercisable at the end of the year	12,169,350	126.83	12,635,255	126.79
Range of exercise price of outstanding options (₹)	110.45 - 150.10		110.45 - 150.10	
Remaining contractual life of outstanding options (months)	30		42	
<b>iii) RSUs granted under ESOS 2013</b>				
Options outstanding at the beginning of the year	2,394,656	10.00	5,009,212	10.00
Options exercised during the year	1,018,848	10.00	2,507,198	10.00
Options cancelled during the year	80,788	10.00	107,358	10.00
Options outstanding at the end of the year	1,295,020	10.00	2,394,656	10.00
Options exercisable at the end of the year	1,156,785	10.00	1,853,893	10.00
Range of exercise price of outstanding options (₹)	10.00		10.00	
Remaining contractual life of outstanding options (months)	43		53	

The weighted average share price at the date of exercise of options exercised during the year was ₹ 52 (March 31, 2018 ₹ 85).

The fair value of each option and RSU is estimated on the date of grant/ re-pricing based on the following assumptions:

Particulars	ESOS 2006					
	On the date of Grant				On the date of re-pricing	
	Tranche I (31/12/07)	Tranche II (24/07/08)	Tranche III (22/12/09)	Tranche IV (24/01/11)	Tranche I (21/12/09)	Tranche II (21/12/09)
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	4 yrs 6 months	5 yrs 9 months
Risk free interest rate (%)	7.78	7.5	7.36	8.04-8.14	7.36	7.36
Volatility (%)	40.00	45.80	54.54	50.45	54.54	54.54
Market price on date of grant/re-pricing (₹)	131.30	91.95	57.55	68.86	57.05	57.05
Fair Value <sup>(1)</sup>	68.99	48.25	31.34	37.47	18.42	10.57

<sup>(1)</sup> As on the date of transition from IGAAP to Ind AS on April 1, 2015, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	ESOS 2013							
	Tranche I (11/02/14)		Tranche II (29/12/14)		Tranche III (21/1/16)		Tranche IV (11/2/17)	
	Stock Options		Stock Options		Stock Options		Stock Options	
Dividend yield (%)	0.24		0.40		0.51		0.54	
Expected life	6 yrs	6 months	6 yrs	6 months	6 yrs	6 months	6 yrs	6 months
Risk free interest rate (%)	8.81 - 8.95		8.04 - 8.06		7.42 - 7.66		6.68 - 7.03	
Volatility (%)	34.13-44.81		34.28-42.65		34.24 - 35.33		36.37 - 38.87	
Market price on date of grant (₹)	126.45		150.10		117.55		110.45	
Fair Value	60.51^		66.27		48.97		46.39	

^ As on the date of transition from IGAAP to Ind AS on April 1, 2015, first installment of the grant were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

## Notes forming part of the Financial Statements

Particulars	ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.91	8.05	7.60	6.94
Volatility (%)	43.95	35.66	34.24	37.21
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	118.70	140.41	107.71	100.40

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

**b) Employee stock option plan – options granted by Vodafone Group Plc**

**i. Global Long Term Incentive (“GLTI”):**

GLTI is a restricted share plan granted to incentivise delivery of sustained performance over the long term plan to selected employees of the Group. In addition to the 2 years/ 3 years vesting conditions, options of certain schemes would depend on achievement of the performance conditions of the Group and Vodafone Group Plc. The plans are administered by Vodafone Group Plc. and the information disclosed is to the extent available.

**ii. Global Long Term Retention (“GLTR”):**

GLTR plan is a restricted share plan granted as a retention tool to selected employees in the middle management. The options vest in 3 years/ 2 years after the grant date provided the employees remain in the continued employment of the Group during the vesting period.

**iii. Vodafone Global Incentive Plan (“VGIP”):**

VGIP is a restricted plan granted as an investment plan to senior management. These options vest in 3 years after the grant date provided the employee remains in the continued employment of the Group during the vesting period. The vesting of these options were subject to satisfaction of performance conditions of the Group and Vodafone Group Plc and market based condition, based on total shareholder return (TSR), which is taken into account when calculating the fair value of share awards. The valuation for the TSR is based on Vodafone’s ranking within the same group of companies, where possible over the past five years.

Particulars	As at March 31, 2019
<b>i) Options granted under GLTI/ GLTR</b>	<b>No. of Options</b>
Options outstanding as at August 31, 2018	13,663,498
Options forfeited during the period	1,112,229
Options exercised during the period	460,412
Options outstanding at the end of the year	12,090,857
Options exercisable at the end of the year	12,090,857
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	12
<b>ii) Options granted under VGIP</b>	
Options outstanding as at August 31, 2018	1,702,228
Options outstanding at the end of the year	1,702,228
Options exercisable at the end of the year	1,702,228
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	10

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Liability at the end of the year March 31, 2019 is ₹ 1,071 Mn.

Fair value of option is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date.

## Notes forming part of the Financial Statements

The fair value of each option is mentioned below:

Particulars	Grant date	Expected life	Market price on date of grant/re-pricing (₹)	Fair Value (₹)
GLTI/ GLTR	13/11/15	1.6 to 3 Years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	223	223
	30/06/16	3 years/2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	196	196
	18/11/16	3 years continuous employment for GLTR	173	173
	17/02/17	3 years continuous employment for GLTR	166	166
	26/06/17	3 years/2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	183	183
	17/11/17	1.6 Years continuous employment for GLTR	197	192
	16/02/18	2 years to 2.4 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	179	179
	26/06/18	3 years/2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	166	166
VGIP	30/06/16 <sup>(1)</sup>	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	196	151
	04/08/17 <sup>(2)</sup>	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	91
	04/08/17	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	188

<sup>(1)</sup> Vesting percentage: 77.20%

<sup>(2)</sup> Vesting percentage: 48.30%

### 54 EMPLOYEE BENEFITS

#### A. Defined Benefit Plan (Gratuity)

##### General description and benefits of the plan

The Company operates a defined benefit final salary gratuity plan through a trust. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The benefit is payable on termination of service or retirement, whichever is earlier. The employees do not contribute towards this plan and the full cost of providing these benefits are borne by the Company.

##### Regulatory framework, funding arrangement and governance of the Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-a-vis settlements. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

##### Inherent risks

The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

## Notes forming part of the Financial Statements

The following tables summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for gratuity:

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>Amount recognised in Balance Sheet</b>		
Present value of obligations as at the end of the year	1,902	2,264
Fair value of plan assets as at the end of the year	622	742
Net Funded Obligation	1,280	1,522
Present value of unfunded obligations	1,181	-
Net Asset/ (Liability) recognised in Balance Sheet	(2,461)	(1,522)
Net Asset/ (Liability) recognised in Balance Sheet is bifurcated as		
– Long term provision	(2,298)	(1,522)
– Short term provision	(163)	-

Sr. No.	Particulars	₹ Mn	
		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>1</b>	<b>Reconciliation of Net Defined Benefit Obligation</b>		
	Opening Net Defined Benefit liability/ (asset)	1,522	1,543
	Net Liabilities assumed on amalgamation of VMSSL and VInL with the Company	1,224	-
	Expense charged to statement of profit & loss	540	427
	Income credited to OCI	(534)	(428)
	Employer contributions	(18)	(7)
	Benefits Paid	(244)	-
	Liabilities assumed/ (settled) <sup>(1)</sup>	(29)	(13)
	Closing Net Defined Benefit liability/ (asset)	2,461	1,522
<b>2</b>	<b>Reconciliation of Defined Benefit Obligation</b>		
	Opening Defined Benefit Obligation	2,264	2,322
	Liabilities assumed on amalgamation of VMSSL and VInL with the Company	1,307	-
	Current Service cost	373	323
	Interest on Defined Benefit Obligation	228	161
	Actuarial (Gain)/ Loss arising from change in financial assumptions	184	(197)
	Actuarial (Gain)/ Loss arising from change in demographic assumptions	(274)	(253)
	Actuarial (Gain)/ Loss arising on account of experience changes	(455)	(4)
	Benefits paid	(515)	(75)
	Liabilities assumed/ (settled) <sup>(1)</sup>	(29)	(13)
	Closing Defined Benefit Obligation	3,083	2,264
<b>3</b>	<b>Reconciliation of plan assets</b>		
	Opening fair value of plan assets	742	779
	Assets acquired on amalgamation of VMSSL and VInL with the Company	83	-
	Employer contributions	18	7
	Interest on plan assets	61	57
	Re measurements due to		
	– Actual return on plan assets less interest on plan assets	(11)	(26)
	Benefits paid	(271)	(75)
	Closing fair value of plan assets	622	742

<sup>(1)</sup> On account of inter group transfer.

## Notes forming part of the Financial Statements

Amounts recognised in the statements of profit and loss in respect of these defined benefit plans are as follows:

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>1</b>	<b>Expenses Recognised in the Statement of Profit &amp; Loss</b>		
	Current Service cost	373	323
	Interest on Net Defined Benefit liability/ (asset)	167	104
	Expenses recognised in the Statement of Profit & Loss	540	427
<b>2</b>	<b>Amount recorded as Other Comprehensive Income (OCI)</b>		
	Re measurement during the year due to		
	– Changes in financial assumptions	184	(197)
	– Changes in demographic assumptions	(274)	(253)
	– Experience adjustments	(455)	(4)
	– Return on plan assets (excluding amounts included in net interest expense)	11	26
	Remeasurement gain recognised in OCI	(534)	(428)

The principal assumptions used in determining gratuity obligations are shown below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.50%	7.85%
Future salary increases <sup>(1)</sup>	8.00%	8.00%
Attrition rate	30 years & below - 30% 31-40 years - 15% 41 years & above - 8%	30 years & below - 25% 31-40 years - 10% 41 years & above - 3%
Mortality rate during employment	As per Indian Assured Lives Mortality (2006-08) Ult Table	
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.	

<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, 2019		For the year ended March 31, 2018	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	-3.74%	3.95%	-5.25%	5.65%
Impact of decrease in 50 bps on DBO	3.99%	-3.74%	5.69%	-5.27%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Within the next 12 months	150	150

Disaggregation details of plan assets (% allocation):

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Insurer Managed Funds <sup>(1)</sup>	613	742
Bank balances	7	-

<sup>(1)</sup> The funds are managed by Insurers and they do not provide break-up of plan assets by investment type.



## Notes forming part of the Financial Statements

### Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Expected benefits for year 1	397	178
Expected benefits for year 2	291	124
Expected benefits for year 3	324	121
Expected benefits for year 4	290	136
Expected benefits for year 5 and above	4,979	5,858

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.83 years (March 31, 2018: 10.92 years).

### B. Defined contribution plans:

During the year, the Company has recognised the following amounts in the statement of profit and loss:

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Employers' contribution to provident and other fund	767	524
Employers' contribution to superannuation fund	99	105

- C. The Company operates its gratuity superannuation plan through separate trust which is administered and managed by the Trustees. As on March 31, 2019 and March 31, 2018, the contribution towards the plans have been invested in Insurer Managed funds and bank balance.

### 55 AUDITOR'S REMUNERATION

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory Audit Fees	94	37
Certification and Other services (included in Legal and Professional Charges)	24	6*
Out of pocket expenses (included in Misc. Expenses)	4	4
<b>Total Remuneration</b>	<b>122</b>	<b>47</b>

\*excludes ₹ 6 Mn paid to Statutory Auditors for attestation related to QIP as it is netted off from securities premium.

### 56 EXPENDITURE FOR CORPORATE SOCIAL RESPONSIBILITY

- a) Gross amount required to be spent by the Company during the year is ₹ Nil (March 31, 2018: ₹ 483 Mn).  
b) Amount spent for the year ended March 31, 2019:

Sr. No.	Particulars	₹ Mn		Total
		Amount Paid	Amount Payable	
1	Education	3	-*	3
2	Sanitation	6	-	6
3	Others	-*	6	6
	<b>Total</b>	<b>9</b>	<b>6</b>	<b>15</b>

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

## Notes forming part of the Financial Statements

The Company is committed to spend ₹ 727 Mn towards CSR activities arising from the short fall of previous years and the same has been accrued during the current year. This is disclosed as an exceptional item in the statement of profit and loss.

c) Amount spent for the year ended March 31, 2018:

₹ Mn

Sr. No.	Particulars	Amount Paid	Amount Payable	Total
1	Healthcare	26	20	46
2	Education	69	46	115
3	Sanitation	22	4	26
4	Others	1	16	17
	<b>Total</b>	<b>118</b>	<b>86</b>	<b>204</b>

### 57 INCOME TAX EXPENSES

(a) Major components of tax expense

₹ Mn

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current Tax</b>		
Current Tax on profits for the year	-	173
<b>Total Current Tax Expense (A)</b>	-	173
<b>Deferred Tax</b>		
Relating to addition & reversal of temporary differences	(49,485)	(25,212)
Relating to derecognition of tax credits	13,123	14
<b>Total Deferred Tax Expense (B)</b>	<b>(36,362)</b>	<b>(25,198)</b>
<b>Total Tax Expense (A + B)</b>	<b>(36,362)</b>	<b>(25,025)</b>
<b>Income tax effect of re-measurement gains on defined benefit plans taken to other comprehensive income</b>	<b>(889)</b>	<b>(1,102)</b>

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss before income tax expense	(176,922)	(69,608)
<b>Applicable Tax Rate</b>	<b>34.94%</b>	34.61%
Increase/ reduction in taxes on account of:		
Effect of unrecognised business loss	-7.41%	0.00%
Effect of derecognition of tax credits	-7.42%	0.00%
Effects of expenses/ income that are not deductible/ considered in determining the taxable profits	-0.20%	-0.06%
Effect of income that is exempt from taxation	0.59%	1.32%
Effect of changes in tax rate	0.00%	0.04%
Other Items	0.04%	0.04%
<b>Effective Tax Rate</b>	<b>20.54%</b>	35.95%

(c) During the year ended March 31, 2019, the Company reassessed recognition of deferred tax assets on carry forward losses, unabsorbed depreciation and MAT credit. The Company recognised net deferred tax assets in respect of carry forward losses, unabsorbed depreciation and other temporary difference of ₹ 89,351 Mn as at March 31, 2019 and de-recognised the deferred tax asset in respect of MAT credit of ₹ 13,123 Mn during the year ended March 31, 2019. In assessing the realisability of its deferred tax assets, management considers 10 year approved projections and believes that such projections are reliable and represent a convincing evidence that sufficient taxable profit will be available against which the carry forward losses and unabsorbed depreciation can be utilised. Deferred tax assets of ₹ 89,351 Mn is realisable over a period of 8-9 years.

Out of total unrecognised deferred tax on MAT credit of ₹ 25,699 Mn, ₹ 2,631 Mn is expiring within 0-5 years, ₹ 9,730 Mn is expiring within 5-10 years and ₹ 13,337 Mn is expiring beyond 10 years.

## Notes forming part of the Financial Statements

## 58 MOVEMENT IN DEFERRED TAX

₹ Mn

Particulars	As at April 1, 2017	Pursuant to merger of ABTL (refer note 43(vi))	As at April 1, 2017 (restated)	Recognised in		As at April 1, 2018	Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3)	Recognised in		As at March 31, 2019
				Profit and Loss	OCI			Profit and Loss	OCI	
<b>Liabilities</b>										
Depreciation & Amortisation	52,157	(83)	52,074	13,893	-	65,967	89,143	12,304	-	167,414
Effects of remeasuring financial instruments under Ind AS	74	16	90	495	-	585	446	(629)	-	402
Investment in Subsidiaries, JVs and associates	3,717	12,655	16,372	25	(1,250)	15,147	-	(9)	(1,076)	14,062
Others	-	-	-	-	-	-	145	(25)	-	120
<b>Total (A)</b>	<b>55,948</b>	<b>12,588</b>	<b>68,536</b>	<b>14,413</b>	<b>(1,250)</b>	<b>81,699</b>	<b>89,734</b>	<b>11,641</b>	<b>(1,076)</b>	<b>181,998</b>
<b>Assets</b>										
Tax Losses	22,179	-	22,179	38,855	-	61,034	134,247	54,193	-	249,474
Expenses allowable on Payment Basis	1,809	-	1,809	199	(148)	1,860	8,269	(2,336)	(187)	7,606
Provisions for doubtful debts/ advances	2,019	-	2,019	551	-	2,570	2,485	8,793	-	13,848
MAT credit	13,123	-	13,123	-	-	13,123	-	(13,123)	-	-
Others	27	-	27	6	-	33	(88)	476	-	421
<b>Total (B)</b>	<b>39,157</b>	<b>-</b>	<b>39,157</b>	<b>39,611</b>	<b>(148)</b>	<b>78,620</b>	<b>144,913</b>	<b>48,003</b>	<b>(187)</b>	<b>271,349</b>
<b>Net Deferred Tax Liabilities/ (assets) (A – B)</b>	<b>16,791</b>	<b>12,588</b>	<b>29,379</b>	<b>(25,198)</b>	<b>(1,102)</b>	<b>3,079</b>	<b>(55,179)</b>	<b>(36,362)</b>	<b>(889)</b>	<b>(89,351)</b>
<b>As per Financials:</b>										
<b>Deferred Tax Asset</b>	-	-	-	-	-	-	-	-	-	<b>89,351</b>
<b>Deferred Tax Liabilities</b>	<b>16,791</b>	<b>12,588</b>	<b>29,379</b>	-	-	<b>3,079</b>	-	-	-	-

## 59 BASIC &amp; DILUTED EARNINGS/ (LOSS) PER SHARE

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Nominal value of per equity share (₹)	10/-	10/-
Loss after Tax (₹ Mn)	(140,560)	(44,583)
Loss attributable to equity shareholders (₹ Mn)	(140,560)	(44,583)
Weighted average number of equity shares outstanding during the year	6,913,183,650	3,692,852,565
Basic earnings per share (₹)	(20.33)	(12.07)
Dilutive effect on weighted average number of equity shares outstanding during the year	*	*
Weighted average number of diluted equity shares	6,913,183,650	3,692,852,565
Diluted earnings per share (₹)	(20.33)	(12.07)

\* 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.

## Notes forming part of the Financial Statements

### 60 RELATED PARTY TRANSACTIONS

The related parties where control, joint control and significant influence exists are subsidiaries, joint ventures and associate respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

#### List of subsidiaries

Relationship	Related Party
Subsidiaries (Subs)	Mobile Commerce Solutions Limited (effective from August 31, 2018)
	Vodafone Business Services Limited (effective from August 31, 2018)
	Vodafone Foundation (effective from August 31, 2018)
	Vodafone India Ventures Limited (effective from August 31, 2018)
	Vodafone m-pesa Limited (effective from August 31, 2018)
	Vodafone Technology Solutions Limited (effective from August 31, 2018)
	Vodafone India Digital Limited (effective from August 31, 2018)
	Vodafone Towers Limited (effective from August 31, 2018)
	You System Integration Private Limited (effective from August 31, 2018)
	You Broadband India Limited (effective from August 31, 2018)
	Connect (India) Mobile Technologies Private Limited (effective from August 31, 2018)
	Aditya Birla Telecom Limited (Merged with VIL with effect from November 30, 2018 (refer note 43(vi))
	Idea Cellular Infrastructure Services Limited (ceased from May 31, 2018) (refer note 43(i))
	Idea Mobile Commerce Services limited (ceased to exist from February 22, 2018) (refer note 43(v))
	Idea Cellular Services Limited
Idea Telesystems Limited	

#### Apart from the above, the Company has transactions with the below related parties

Relationship	Related Party
Associate	Aditya Birla Idea Payments Bank Limited
Joint Venture (JV)	Indus Towers Limited
	Firefly Networks Limited (effective from August 31, 2018)
Promoter Group	Grasim Industries Limited
	Hindalco Industries Limited
	Euro Pacific Securities Limited (effective from August 31, 2018)
	Prime Metals Limited (effective from August 31, 2018)
	Mobilvest (effective from August 31, 2018)
	Vodafone Telecommunications (India) Limited (effective from August 31, 2018)
	Omega Telecom Holdings Private Limited (effective from August 31, 2018)
	Telecom Investment India Private Limited (effective from August 31, 2018)
	Asian Telecommunications Investments (Mauritius) Limited (effective from August 31, 2018)
	Al-Amin Investments Limited (effective from August 31, 2018)
	Jaykay Finholding (India) Private Limited (effective from August 31, 2018)
	CCII (Mauritius) Inc (effective from August 31, 2018)
	Usha Martin Telematics Private Limited (effective from August 31, 2018)
	Trans Crystal Limited (effective from August 31, 2018)
	Aditya Birla Capital Advisors Private Limited
Aditya Birla Finance Limited	
Aditya Birla Capital Limited (Erstwhile Aditya Birla Financial Services Limited)	
Aditya Birla Financial Shared Services Limited	
Aditya Birla Health Insurance Company Limited	
Aditya Birla Housing Finance Limited	
Aditya Birla Insurance Brokers Limited	
Aditya Birla Management Corporation Private Limited (effective from August 31, 2018)	
Aditya Birla Money Limited	
Aditya Birla Money Mart Limited (ABMML)	
Aditya Birla Wellness Private Limited	
Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]	

## Notes forming part of the Financial Statements

Relationship	Related Party
	Axiata Group Berhad (ceased from August 16, 2018)
	Axiata Investments 1 India Limited (ceased from August 16, 2018)
	Axiata Investments 2 India Limited (ceased from August 16, 2018)
	Birla Institute of Technology and Science Company
	Aditya Birla Sun Life AMC Limited (Erstwhile Birla Sun Life Asset Management Company Limited)
	Birla Sun Life Insurance Company Limited
	Celcom Axiata Berhad (ceased from August 16, 2018)
	Dialog Axiata PLC- Sri Lanka. (ceased from August 16, 2018)
	Ncell Private Limited (ceased from August 16, 2018)
	PT. XL Axiata, Tbk (ceased from August 16, 2018)
	Robi Axiata Limited (ceased from August 16, 2018)
	Smart Axiata Co. Ltd (ceased from August 16, 2018)
	Vodafone Enterprise Luxembourg S.A (effective from August 31, 2018)
	Ultratech Cement Limited
	Vodafone Limited (effective from August 31, 2018)
	Vodafone Enterprise Global Limited (effective from August 31, 2018)
	Vodafone India Services Private Limited (effective from August 31, 2018)
	Vodafone Network Pty Limited (effective from August 31, 2018)
	Vodafone New Zealand Limited (effective from August 31, 2018)
	Vodafone International Services LLC (effective from August 31, 2018)
	Vodafone Libertel B.V. (effective from August 31, 2018)
	Vodafone Telekomunikasyon A.S (effective from August 31, 2018)
	Vodafone GmbH (effective from August 31, 2018)
	Vodafone Italia S.P.A. (effective from August 31, 2018)
Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]	Vodafone Ireland Limited (effective from August 31, 2018)
	Vodafone Espana S.A.U. (effective from August 31, 2018)
	Vodacom (Pty) Limited (effective from August 31, 2018)
	Vodafone-Panafon Hellenic Telecommunications Company S.A. (effective from August 31, 2018)
	Vodafone Romania S.A (effective from August 31, 2018)
	Vodafone Magyarorszag (ZRT) (effective from August 31, 2018)
	Vodacom Lesotho (Pty) Limited (effective from August 31, 2018)
	Vodafone Albania Sh.A (effective from August 31, 2018)
	Vodafone Czech Republic A.S. (effective from August 31, 2018)
	Safaricom PLC (effective from August 31, 2018)
	Vodafone Portugal Comunicacoes Pessoais, S.A. (effective from August 31, 2018)
	Vodafone Malta Limited (effective from August 31, 2018)
	Vodafone Net Iletisim Hizmetleri A.S. (effective from August 31, 2018) (formerly known as Vodafone Alternatif Telekom Hizmetleri A.S.)
	Vodacom Tanzania PLC. (effective from August 31, 2018)
	Vodacom Congo (RDC) S.A. (effective from August 31, 2018)
	Ghana Telecommunications Company Limited (effective from August 31, 2018)
	Vodafone Group Services Limited (effective from August 31, 2018)
	VM, SA (Vodafone Mozambique) (effective from August 31, 2018)
	Vodafone Enterprise Singapore Pte. Ltd (effective from August 31, 2018)
	Vodafone Global Enterprise Limited (effective from August 31, 2018)
	LLC Vodafone Enterprise Ukraine (effective from August 31, 2018)
	Vodafone Egypt Telecommunications S.A.E. (effective from August 31, 2018)
	Vodafone Roaming Services S.À R.L (effective from August 31, 2018)
	Vodafone Procurement Company S.À R.L (effective from August 31, 2018)
	Vodacom Group Limited (effective from August 31, 2018)
	C&W Global Networks Ltd (effective from August 31, 2018)
	CABLE AND WIRELESS GLOBAL Bangalore (effective from August 31, 2018)

## Notes forming part of the Financial Statements

Relationship	Related Party
Key Management Personnel (KMP)	Smt. Rajashree Birla (ceased from August 31, 2018)
	Mr. Kumar Mangalam Birla
	Mr. Akshaya Moondra
	Mrs. Alka Bharucha (ceased from March 31, 2018)
	Mr. Arun Thiagarajan
	Mr. Himanshu Kapania
	Mr. Pejavar Murari (ceased from August 31, 2018)
	Mr. Baldev Raj Gupta (ceased from August 31, 2018)
	Mr. Sanjeev Aga (ceased from August 31, 2018)
	Ms. Tarjani Vakil (Ceased from September 17, 2018)
	Mr. Balesh Sharma (effective from August 31, 2018)
	Smt. Neena Gupta (effective from September 17, 2018)
	Mr. Arun Adhikari (effective from August 31, 2018)
	Mr. Uday Khanna (from August 31, 2018 till September 28, 2018)
	Mr. Ashwani Windlass (effective from August 31, 2018)
	Dr. Shridhir Sariputta Hansa Wijaysriya (Representative of Axiata and ceased from March 30, 2018)
Mr. Mohan Gyani (ceased from August 31, 2018)	
Mr. Douglas Baillie (from August 31, 2018 till November 14, 2018)	
Others	Breach Candy Hospital and Research Centre (ceased from August 31, 2018)
	Bharucha and Partners (Ceased from March 31, 2018)
	Citec Engineering India Private Limited (ceased from March 30, 2018)
	G.D Birla Medical Research & Education Foundation
	Bhubaneshwari Coal Mining Limited (ceased from August 31, 2018)
Trust <sup>(1)</sup>	Svatantra Microfin Private Limited
	Interglobe hotels private limited
	ICL Employee's Group Gratuity Scheme
	ICL Employee Superannuation Scheme
	Idea Cellular Services Limited Employee's Group Gratuity Scheme
	Hutchison Max Telecom Limited Superannuation Fund (effective from August 31, 2018)

<sup>(1)</sup> Transaction with trust includes contribution to provident fund, pension, gratuity and superannuation funds and refer note 54 for information on transaction with post-employment benefit plans mentioned above.

## A. Transactions with Related Parties for the year ended March 31, 2019 and March 31, 2018

Particulars	₹ Mn					
	Associate	Entities having significant influence	Joint Ventures	KMP	Others	Subsidiaries
Sale of Service	2	1,352	7	-*	7	69
	(1)	(200)	(8)	-*	(40)	(44)
Rent Income	-	-	-	-	-	1
	-	-	-	-	-	(8)
Purchase of Service	-	4,818^^	77,185^	-	55	4,869
	-	(35)	(37,653)	-	(252)	(8,210)
Purchase of Goods	-	-	-	-	-	25
	-	-	-	-	-	(74)

## Notes forming part of the Financial Statements

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Others	Subsidiaries
ESOP Cost	-	-	-	-	-	-
	-	-	-	-	-	(-5)
Remuneration <sup>(1)</sup>	-	-	-	160	-	-
	-	-	-	(74)	-	-
Rent Expenses	-	-	-	-	-	10
	-	-	-	-	-	(10)
Commission	-*	-	-	-	-	-*
	(1)	-	-	-	-	(9)
Non-Compete Fees Expense	-	-	-	6	-	-
	-	-	-	(15)	-	-
Directors' sitting fees paid	-	-	-	4	-	-
	-	-*	-	(4)	-	-
Interest expense on Inter Corporate Deposit (ICD)	-	-	-	-	-	-
	-	-	-	-	-	(292)
Interest expense on NCD	-	-	-	-	-	-
	-	(6)	-	-	-	-
Expenses incurred on behalf of	-*	65	-	-	-	69
	-*	-*	-	-	-	(57)
Expenses incurred on Company's behalf by	-	35	-	-	-	141
	-	-*	-	-	-	-*
ICD Taken	-	-	-	-	-	-
	-	-	-	-	-	(1,110)
ICD Repaid	-	-	-	-	-	-
	-	-	-	-	-	(1,110)
Investments	571	-	-	-	-	289
	(991)#	-	-	-	-	-
Sale of Fixed Assets	-*	4	-	-	-	-
	(2)	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-	11
	-	-	-	-	-	-
Security Deposit given	-	-	-	-	-	250
	-	-	-	-	-	(7)
Security Deposit refunded	-	-	-	-	-	-
	-	-	-	-	-	(540)
Insurance premium (including advance given)	-	159	-	-	-	-
	-	(309)	-	-	-	-
Dividend Received	-	-	2,990	-	-	-
	-	-	(2,657)	-	-	-
Loan given during the year	-	-	-	-	-	3,031
	-	-	-	-	-	-
Loan repayment during the year	-	-	-	-	-	2,641
	-	-	-	-	-	-
Interest Income	-	-	-*	-	-	609
	-	-	-	-	-	-

## Notes forming part of the Financial Statements

### B. Balances with Related Parties

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Others	Subsidiaries
Trade and Other Receivables	1	1,345	4	-	-	150
	(26)	(14)	(3)	-	-*	(63)
Trade and Other Payables	25	5,384	37,450 <sup>^</sup>	-	1	261
	-*	(13)	(5,229)	-	(9)	(155)
Deposits Given (included in Other Non Current Financial Assets)	-	-	1,000	-	-	2
	-	-	(1,000)	-	-	(2)
Other Current Assets (included in Other Current Financial Assets)	-	169	-	-	-	-
	-	(40)	-	-	-	-*
Interest Accrued but not due	-	-	-	-	-	79
	-	-	-	-	-	-
Remuneration payable	-	-	-	44	-	-
	-	-	-	(8)	-	-
Prepaid Expenses	-	-	793	-	-	-
	-	-	(392)	-	-	-
Outstanding loan receivable	-	-	8	-	-	13,462
	-	-	-	-	-	-
Other receivable	-	-	1,224	-	-	-
	-	-	-	-	-	-
Advance received	-	-	-	-	-	4
	-	-	-	-	-	-

(Figures in brackets are for the year ended March 31, 2018)

<sup>(1)</sup> Excludes charge taken towards share based payments.

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

<sup>^</sup> Includes amounts accrued on account of onerous contract (Site Exits) involving invoicing and settlements over a 3 years period.

# excludes shares received in lieu of shares held in IMCSL pursuant to merger of IMCSL with ABIPL (refer note 43(v)).

<sup>^^</sup> Includes ₹ 3,152 Mn and ₹ 1,422 Mn towards Business Support Services availed from Vodafone Group Services Ltd and Aditya Birla Management Corporation Private Limited, respectively.

**Note:** Related Party transactions excludes assets/ liabilities transferred to VIL pursuant to ABTL merger.

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 VIL shareholders (refer note 3).

### C. Commitments with Related Parties

The Company has lease commitments towards its joint venture amounting to ₹ 227,183 Mn (March 31, 2018: ₹ 134,185 Mn) and towards its subsidiaries amounting to ₹ Nil (March 31, 2018: ₹ 36,250 Mn). Also the Company has opex commitments towards its subsidiaries amounting to ₹ Nil (March 31, 2018: ₹ 1 Mn).

### D. Compensation of Key Management Personnel of the Company

₹ Mn

Particulars	March 31, 2019	March 31, 2018
Short-term employee benefits	156	71
Post-employment benefits <sup>(1)</sup>	4	3
Share-based payment transactions	15	(23) <sup>^</sup>

<sup>(1)</sup> Represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

<sup>^</sup> the charge for the year is net of reversal on account of cancellation of unvested options.

### E. The Company has committed to extend appropriate financial support as required by its wholly owned subsidiaries i.e. Vodafone m-pesa Limited, You Broadband India Limited, You System Integration Private Limited, Vodafone India Digital Limited, Idea Telesystems Limited and Vodafone Technology Solutions Limited to meet the capital requirements upto the year ending March 31, 2020.



## Notes forming part of the Financial Statements

### 61 Disclosure as per the requirement of regulation 34 of the Securities and Exchange Board of India (Listing obligations and disclosure requirements) regulations, 2015:

The amounts at the year end and the maximum amount of loans and advances outstanding during the year is as follows:

₹ Mn

Name of the Company	March 31, 2019		March 31, 2018	
	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
<b>Subsidiaries</b>				
Vodafone Business Services Limited <sup>(1)</sup>	10,358	11,428	-	-
Vodafone Towers Limited <sup>(1)</sup>	-	10	-	-
Vodafone Foundation <sup>(1)</sup>	5	5	-	-
Vodafone m-pesa Limited <sup>(1)</sup>	1,006	1,510	-	-
Vodafone Technology Solutions Limited <sup>(1)</sup>	95	95	-	-
You Broadband India Limited <sup>(1)</sup>	1,674	1,674	-	-
Vodafone India Ventures Limited <sup>(1)</sup>	324	624	-	-
<b>Joint Venture</b>				
Firefly Networks Limited <sup>(1)</sup>	8	8	-	-
	<b>13,470</b>	<b>15,354</b>	-	-

<sup>(1)</sup> Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)

62 The Company is one of the members of Aditya Birla Management Corporation Private Limited ('ABMPCL'), a Company limited by guarantee, which has been formed to provide common pool of facilities and resources to its members with a view to optimise the benefits of specialisation and minimize cost to each member. The Company's share of expenses incurred under the common pool has been accounted for at actuals in the respective heads in the Statement of Profit and Loss. Further, the Company has entered into a recharge agreement with ABMPCL pursuant to amalgamation of VMSL and VInL with the Company effective August 31, 2018.

### 63 FINANCIAL INSTRUMENTS

A) **Financial Instruments by Category:** The following table provides categorisation of all financial instruments at carrying value except non-current investments in associate and subsidiaries which are carried at cost.

₹ Mn

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Current Investments	66,890	-	-	56,129	-	-
Non-current investments	-	61,568	-	-	66,179	-
Trade Receivables	-	-	33,081	-	-	8,874
Loans	-	-	13,404	-	-	44
Cash and cash equivalents	-	-	6,759	-	-	190
Bank balance other than cash and cash equivalents	-	-	1,085	-	-	32
Deposit with Body Corporates, Government Authorities and Others <sup>(1)</sup>	-	-	9,068	-	-	4,399
Interest receivable <sup>(1)</sup>	-	-	83	-	-	-
Derivative Financial Assets <sup>(1)</sup>	247	-	-	28	-	-
Others <sup>(1)</sup>	-	-	1,598	68	-	-
<b>Total Financial Assets</b>	<b>67,137</b>	<b>61,568</b>	<b>65,078</b>	<b>56,225</b>	<b>66,179</b>	<b>13,539</b>

## Notes forming part of the Financial Statements

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Liabilities</b>				
Fixed Rate Borrowings including Interest accrued but not due	-	1,159,832	-	493,397
Floating Rate Borrowings including Interest accrued but not due	-	163,717	-	114,263
Trade Payables	-	135,421	-	35,489
Payables for Capital Expenditure <sup>(2)</sup>	-	70,433	-	29,523
Derivative Financial Liabilities <sup>(2)</sup>	812	-	112	-
Security Deposits from Customers and Others <sup>(2)</sup>	-	4,525	-	2,208
Indemnity liability <sup>(2)</sup>	-	83,923	-	-
Others <sup>(2)</sup>	4	-	4	-
<b>Total Financial Liabilities</b>	<b>816</b>	<b>1,617,851</b>	<b>116</b>	<b>674,880</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 Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

#### i. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2019. ₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current Investments	66,890	-	-	66,890
Non-current investments	-	61,568	-	61,568
Derivative Financial Assets	-	247	-	247
<b>Total Financial Assets</b>	<b>66,890</b>	<b>61,815</b>	<b>-</b>	<b>128,705</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	812	-	812
Others	-	4	-	4
<b>Total Financial Liabilities</b>	<b>-</b>	<b>816</b>	<b>-</b>	<b>816</b>

#### ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2018. ₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current Investments	56,129	-	-	56,129
Non-current investments	-	66,179	-	66,179
Derivative Financial Assets	-	28	-	28
Others	-	68	-	68
<b>Total Financial Assets</b>	<b>56,129</b>	<b>66,275</b>	<b>-</b>	<b>122,404</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	112	-	112
Others	-	4	-	4
<b>Total Financial Liabilities</b>	<b>-</b>	<b>116</b>	<b>-</b>	<b>116</b>

## Notes forming part of the 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**

- Non-current investments
- Trade Receivables
- Loans
- Cash and Cash equivalents
- Bank balance other than cash and cash equivalents
- Deposit with Body Corporates, Government Authorities and Others
- Interest Receivable
- Others

**b) Financial Liabilities**

- Floating Rate Borrowings including Interest accrued but not due
- Trade Payables
- Payable for capital expenditure
- Security Deposits from Customers and Others
- Indemnity liability

iv. Fair value hierarchy of financial liabilities measured at amortised cost is below:

₹ Mn

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Fixed rate borrowings including interest accrued but not due <sup>(1)</sup> :					
As at March 31, 2019	1,159,832	-	1,208,788	-	1,208,788
As at March 31, 2018	493,397	-	531,474	-	531,474

<sup>(1)</sup> Includes Deferred Payment Liability, NCD and others.

**C) Valuation Technique used to determine fair value including fair value though OCI:**

Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Company enters into derivative financial instruments such as forward, interest rate swap and cross currency swaps with various counterparties. The fair value of such derivatives instruments are determined using forward exchange rates, currency basis spreads between respective currencies and interest rate curves.

**64 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial liabilities comprise borrowings, derivative liabilities, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise investments, cash and bank balance, trade and other receivables. The Company also enters into derivative transactions such as foreign forward exchange contracts, Interest rate swaps as a part of Company's financial risk management policies. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Company's senior management comprising of a team of qualified finance professionals with appropriate skills and experience oversees management of these risks and provides assurance to the management that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activity for risk management purposes are carried by specialist team having appropriate skills and experience. The risks and measures to mitigate such risks is reviewed by the committee of Board of Directors periodically.

## Notes forming part of the Financial Statements

### Market risk

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At March 31, 2019, after taking into account the effect of interest rate swaps, approximately 87.07% of the Company's borrowings are at a fixed rate of interest (March 31, 2018: 80.70%).

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

			₹ Mn
Particulars	Increase/ decrease in basis points	Effect on profit before tax	
<b>March 31, 2019</b>			
INR - Borrowings	+100	(1,337)	
	-100	1,337	
USD - Borrowings	+100	(292)	
	-100	292	
<b>March 31, 2018</b>			
INR - Borrowings	+100	(800)	
	-100	800	
USD - Borrowings	+100	(318)	
	-100	318	

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).

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

When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company has major foreign currency risk in USD.

The Company hedged 38.60% (March 31, 2018: 27.19%) of its foreign currency trade payables and 10.99% (March 31, 2018: 10.05%), of its foreign currency loans. This foreign currency risk is hedged by using foreign currency forward contracts and cross currency rate swaps (refer note 49).

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Company's profit/ (loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

## Notes forming part of the Financial Statements

₹ Mn

Currency exposure	Change in currency exchange rate	Effect on profit before tax
<b>March 31, 2019</b>		
USD	+5%	(2,716)
	-5%	2,716
<b>March 31, 2018</b>		
USD	+5%	(2,058)
	-5%	2,058

The derivatives have not been designated in a hedge relationship, they act as a hedge and will offset the underlying transactions when they occur.

**c) Price risk**

The Company invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

**d) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**- Trade receivables**

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 to 30 days' credit terms. Outstanding customer receivables are regularly monitored.

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Company, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90/ 120 days from date of billing and b) for receivables on account of roaming, IUC and passive infrastructure sharing remaining unpaid beyond 180/ 365 days. Further, allowance is also recognised for cases indicating any specific trail of credit loss within the ageing brackets mentioned above. Individual trade receivables are written off when management deems them not to be collectible. Any subsequent recovery is recognized as Income in the Statement of Profit and Loss. Refer note 15 for the carrying amount of credit exposure as on the Balance Sheet date.

**- Other financial assets and cash deposits**

Credit risk from balances with banks is managed by the Company's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's Treasury Department on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2019 and March 31, 2018 on its carrying amounts as disclosed in notes 11, 16, 18 and 19 except for derivative financial instruments. The Company's maximum exposure relating to financial derivative instrument is noted in note 64 (e) and liquidity table below.

**e) Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. Approximately 9.00% of the Company's debt excluding interest will mature in less than one year at

## Notes forming part of the Financial Statements

March 31, 2019, without considering reclassification into current maturity on debt convert breach (March 31, 2018: 1.80%) based on the carrying value of borrowings reflected in the financial statements. Based on the past performance and future expectation, the Company believe that cash generated from operations, capital raised through rights issue (refer note 67), working capital management and available sources from raising funds (including monetisation of certain assets and additional borrowings) as needed will satisfy its cash flow requirement associated with repayment of borrowings due and its operation, through at least the next twelve months (refer note 4 and 24(b)).

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, 2019</b>					
Borrowings and Interest thereon <sup>(1)</sup>	1,323,549	333,079*	659,239	1,180,078	2,172,396
Trade and other payables <sup>(2)</sup>	205,854	183,745	22,109	-	205,854
Other financial liabilities <sup>(1) &amp; (2)</sup>	88,452	4,504	83,948	-	88,452
	<b>1,617,855</b>	<b>521,328</b>	<b>765,296</b>	<b>1,180,078</b>	<b>2,466,702</b>
Derivatives liabilities	812	812	-	-	812
Derivatives assets <sup>(3)</sup>	(247)	(167)	(80)	-	(247)
<b>Total</b>	<b>1,618,420</b>	<b>521,973</b>	<b>765,216</b>	<b>1,180,078</b>	<b>2,467,267</b>
<b>As at March 31, 2018</b>					
Borrowings and Interest thereon <sup>(1)</sup>	607,660	31,702	469,626	577,508	1,078,836
Trade and other payables <sup>(2)</sup>	65,012	65,012	-	-	65,012
Other financial liabilities <sup>(1) &amp; (2)</sup>	2,212	2,189	23	-	2,212
	<b>674,884</b>	<b>98,903</b>	<b>469,649</b>	<b>577,508</b>	<b>1,146,060</b>
Derivatives liabilities	112	112	-	-	112
Derivatives assets <sup>(3)</sup>	(28)	(28)	-	-	(28)
<b>Total</b>	<b>674,968</b>	<b>98,987</b>	<b>469,649</b>	<b>577,508</b>	<b>1,146,144</b>

\*The Company has classified gross amount ₹ 102,802 Mn from non-current borrowings to current maturities of long term although the Company is confident that there will be no acceleration of payment in this regard (refer note 24(b)).

<sup>(1)</sup> Interest accrued but not due of ₹ 64,150 Mn (March 31, 2018: ₹ 27,808 Mn) has been excluded from other financial liabilities and included in borrowings and interest thereon.

<sup>(2)</sup> Payable for capex expenditure of ₹ 70,433 Mn (March 31, 2018: ₹ 29,523 Mn) has been excluded from other financial liabilities and included in trade and other payables.

<sup>(3)</sup> Included as part of maturity profile as the underlying of these derivatives are borrowings and other financial liabilities included above.

### 65 IMPAIRMENT REVIEW:

As at March 31, 2019, since the market capitalisation of the Company is below the net assets value in the books, it indicates potential impairment of the non-current assets of the Company. Accordingly, the Company has tested for impairment of non-current assets and such testing did not result in any impairment in the carrying value of non-current assets.

The recoverable amount has been determined based on value-in-use calculation using cash flow projections from financial budgets approved by board of directors covering a five-year period. The cash flow beyond the planning period are extrapolated using appropriate terminal growth rate.

The key assumptions used to calculate the value-in-use are as follows:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Discount rate (post tax rate)
- Growth rate
- Capital expenditure

**EBITDA:** The EBITDA margins have been estimated based on the past experience, synergy realization and other cost optimisation initiatives being undertaken by the Company and after considering incremental revenues from existing and new customers from all revenue streams.

**Discount rate:** Discount rate reflects the current market assessment of the risks specific to the Company taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The

## Notes forming part of the Financial Statements

discount rate is derived based on the weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. The post-tax discount rate currently used to discount the estimated cash flows is 12%.

**Growth rate:** The terminal growth rate used for extrapolating cash flows beyond the planning period of 5 years is 5% and is in line with the long-term average growth rate of the telecom industry in India and are consistent with internal/ external sources of information.

**Capital expenditure:** The cash flow forecasts of capital expenditure are based on additional estimated capital expenditure towards incremental coverage and capacity enhancement requirements.

### 66 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 shareholder value.

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 debt-equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents and investment in liquid mutual funds.

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
Borrowings	1,085,236	569,625
Current Maturities of long term debts	174,163	10,227
Less: Investment in liquid mutual funds	(66,890)	(56,129)
Less: Cash and cash equivalents	(6,759)	(190)
<b>Net debt (A)</b>	<b>1,185,750</b>	<b>523,533</b>
Equity share capital	87,356	43,593
Other Equity	547,689	262,415
<b>Total Equity (B)</b>	<b>635,045</b>	<b>306,008</b>
<b>Debt-equity ratio (A)/(B)</b>	<b>1.87</b>	<b>1.71</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

### 67 SUBSEQUENT EVENT

The board of directors of the Company, in its meeting held on January 23, 2019, had approved a Rights Issue of ₹ 250,000 Mn. Subsequent to the year end on May 4, 2019, the Company has allotted 19,999,830,911 Equity Shares of face value of ₹ 10 each to the eligible existing equity shareholders under a Rights Issue at a price of ₹ 12.50 (including a premium of ₹ 2.50) per equity share aggregating to ₹ 249,998 Mn.

**68** Financial statements for the year ended March 31, 2019 are not comparable with the previous year due to the facts as mentioned in note 3. 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

#### Prashant Singhal

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

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

#### D. Bhattacharya

Director

(DIN: 00033553)

#### Balesh Sharma

Chief Executive Officer

#### Ravinder Takkar

Director

(DIN: 01719511)

#### Akshaya Moondra

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 Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Vodafone Idea Limited (formerly known as Idea Cellular Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint ventures comprising of the consolidated Balance Sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2019, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the

Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Emphasis of Matter

We draw your attention to note 46(A)(i) of the consolidated Ind AS financial statements which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one time spectrum charges. Our report is not qualified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment assessment of intangibles</b> <i>(as described in note 63 of the consolidated Ind AS financial statements)</i></p> <p>At March 31, 2019, the carrying value of intangible asset were ₹ 1,302,210 million.</p> <p>Impairment indicators were identified, that gave rise to a risk that intangible assets may be impaired. Consequently, impairment assessment was performed for spectrum assets amongst others that gave rise to the risk of impairment.</p> <p>The inputs to the impairment testing model which have the most significant impact on the recoverable value include projected Earnings before interest, tax and depreciation and amortization (EBITDA), revenue growth rate, discount rates and capital expenditure.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We read/understood management's assessment of the indicators of impairment and evaluated the significant assumptions adopted.</li> <li>Specifically, where impairment indicators were identified, we have evaluated the valuation models used to determine the amounts by assessing the key assumptions used by management.</li> <li>Evaluated the design and operating effectiveness of the key processes and controls associated with the estimation of impairment of intangible assets.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<p>The impairment testing model included sensitivity testing of key assumptions, including EBITDA, revenue growth rate, discount rate and capital expenditure.</p>	<ul style="list-style-type: none"> <li>• With the assistance of our valuation experts, we tested the data and assumptions used by the management and evaluated the adequacy of headroom available for recoverable value by sensitivity analysis. We assessed the adequacy of impairment related disclosures in the financial statements</li> </ul>
<p><b>Claims and exposures relating to litigation from taxation matters and change in regulatory environment</b>                      (as described in note 46 of the consolidated Ind AS financial statements)</p>	
<p>At March 31, 2019, the value of tax and regulatory disputes disclosed as contingent liabilities was ₹ 327,226 million.</p> <p>Taxation, regulatory and litigation exposures have been identified as a key audit matter due to everchanging regulatory environment and significant judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained summary of all tax, regulatory and litigation matters and analysed management’s position through detailed inquiries.</li> <li>• Performed walkthroughs and test of controls of the management’s risk assessment process for taxation, regulatory and legal matters.</li> <li>• Obtained and read external legal opinions (where considered necessary) and other evidence to corroborate management’s evaluation of the risk assessment in respect of legal claims.</li> <li>• Engaged tax/regulatory specialists to technically assess the tax/regulatory positions taken by management with respect to tax/regulatory litigations.</li> <li>• Inspected the relevant disclosures made within the financial statements to validate they appropriately reflect the facts and circumstances of the respective tax and regulatory exposures and are in accordance with the requirements of accounting standards.</li> </ul>
<p><b>Accounting for business combination and integration cost</b>                      (as described in note 3 of the consolidated Ind AS financial statements)</p>	
<p>Effective August 31, 2018, Vodafone India Limited and Vodafone Mobile Services Limited, merged into the Holding Company. The Company accounted for the merger under pooling of interest method.</p> <p>We have determined this to be a key audit matter in view of magnitude of the transaction, complexity involved in selection of accounting policy for merger, significant management judgment involved with respect to alignment of accounting policies, estimates and accounting for integration costs post-merger.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the appropriateness of ‘Pooling of interest’ method of accounting adopted by the management to account for the merger.</li> <li>• We corroborated management’s alignment of accounting policies and estimates by comparing the significant accounting policies and estimates of erstwhile Vodafone India Limited and comparing with the Group’s accounting policies and estimates.</li> <li>• We read the merger arrangements/scheme and focused on accounting for non-routine transaction, estimates and judgements in respect of the recognition and measurement of guarantees, indemnities etc.</li> <li>• We performed specific procedures to validate the carrying amount of assets and liabilities merged on August 31, 2018.</li> <li>• We validated the appropriateness of estimates used in recognition and measurement of integration cost through enquiries and testing of supporting documents.</li> <li>• We inspected the disclosures in respect of this transaction including those disclosures related to significant accounting judgements and estimates.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition</b> (as described in note 5(a) of the consolidated Ind AS financial statements)</p> <p>For the year ended March 31, 2019, the revenue recognised was ₹ 370,056 million.</p> <p>Revenue recognition has been identified as a key audit matter due to complexity of systems in recognizing revenues, constantly evolving pricing with heavily discounted tariffs and operation in highly competitive market place.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Performed walkthroughs and test of controls, assisted by our IT specialists, of the revenue processes and assessed the design and operating effectiveness of key IT and manual controls.</li> <li>• Our audit procedures included evaluating the appropriateness of the Company's accounting policies and assessing compliance with the policies in terms of the applicable accounting standards, including revisions pursuant to implementation of Ind AS 115.</li> <li>• We tested the revenue assurance procedures and reconciliations performed by the management to validate the billing minutes, tariffs and other revenue recognition parameters.</li> <li>• Tested the relevant IT infrastructure and applications that result in generation of various IT reports used for billing and revenue recognition process.</li> <li>• We performed other substantive procedures, including analytics, review of unusual items and trends.</li> </ul>
<p><b>Recoverability of Deferred Tax Assets</b> (as described in note 57 of the consolidated Ind AS financial statements)</p> <p>At March 31, 2019, deferred tax assets recognised were ₹ 103,385 million.</p> <p>The deferred tax assets recognized includes carryforward losses, unabsorbed depreciation of ₹ 249,666 million. The recognition of deferred tax assets, involves judgement regarding the likelihood of the realization of these assets, in particular whether there will be sufficient taxable profits in future periods that support the recognition of these assets.</p> <p>Given the degree of judgment involved in considering these deferred tax assets as recoverable or otherwise, we considered this to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Our procedures included obtaining an understanding of the process and testing the controls over preparation of the taxable profit forecast.</li> <li>• We performed procedures to test the inputs and assumptions used in the taxable profit forecast against historical performance, economic and industry indicators, publicly available information and including strategic plans.</li> <li>• We inspected the disclosures in respect of the deferred tax asset balances including those disclosures related to significant accounting judgements and estimates.</li> </ul>

### Other Information

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Performance Highlights, Corporate Governance Report, Directors' Report, Management Discussion and Analysis Report and Business Responsibility Report, is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

#### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

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

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

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

exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

- (a) The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 742 million for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of one associate whose financial statements, other financial information have

been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of such other auditor.

- (b) The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 14 million for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of a 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 Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate and joint ventures, none of the directors of the Group's companies, its associate and joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate and joint ventures incorporated in India, refer to our separate Report in "Annexure" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the associate incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries, associate and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the associate, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint ventures in its consolidated Ind AS financial statements – Refer Note 46 to the consolidated Ind AS financial statements;
  - ii. The Group, its associate and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and joint ventures incorporated in India during the year ended March 31, 2019.

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

#### per Prashant Singhal

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

## Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Vodafone Idea Limited

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

In conjunction with our audit of the consolidated financial statements of Vodafone Idea Limited (formerly known as Idea Cellular Limited) as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Vodafone Idea Limited (formerly known as Idea Cellular Limited) (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate and joint ventures, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to

error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies, its associate and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to one associate, which is a company incorporated in India, is based on the corresponding reports of the other auditor of such associate incorporated in India.

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

### **per Prashant Singhal**

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

## Consolidated Balance Sheet as at March 31, 2019

Particulars	Notes	₹ Mn	
		As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	502,526	244,549
Capital work-in-progress		23,587	6,513
Investment property	9	672	-
Goodwill on consolidation		36	61
Other intangible assets	10	1,274,767	552,309
Intangible assets under development	10	27,443	29,340
Investments accounted for using the equity method	11	15,298	16,601
Financial assets			
Long term loans to employees		8	24
Other non-current financial assets	12	10,362	4,180
Deferred tax assets (net)	57	103,385	12,052
Other non-current assets	13	155,099	17,797
<b>Total non-current assets (A)</b>		<b>2,113,183</b>	<b>883,426</b>
<b>Current assets</b>			
Inventories	14	42	367
Financial assets			
Current investments	15	67,088	56,304
Trade receivables	16	33,000	8,874
Cash and cash equivalents	17	8,428	193
Bank balance other than cash and cash equivalents	18	1,480	98
Loans to joint venture and others	19	19	20
Other current financial assets	20	680	314
Current tax assets (net)		-	7,752
Other current assets	21	71,260	17,915
<b>Total current assets (B)</b>		<b>181,997</b>	<b>91,837</b>
Assets classified as held for sale (AHFS) (C)	22(a)	1,815	10,509
<b>Total Assets (A + B + C)</b>		<b>2,296,995</b>	<b>985,772</b>

## Consolidated Balance Sheet as at March 31, 2019

Particulars	Notes	₹ Mn	
		As at March 31, 2019	As at March 31, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	23	87,356	43,593
Other equity	24	508,992	229,032
<b>Total equity (A)</b>		<b>596,348</b>	272,625
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Long term borrowings	25	1,044,029	569,408
Trade payables		8,680	-
Other non-current financial liabilities	26	97,381	26,062
Long term provisions	27	3,467	3,107
Deferred tax liabilities (net)	57	471	659
Other non-current liabilities	28	4,235	5,602
<b>Total non-current liabilities (B)</b>		<b>1,158,263</b>	604,838
<b>Current liabilities</b>			
Financial liabilities			
Short term borrowings	29	41,207	217
Trade payables		126,486	35,479
Other current financial liabilities	30	303,946	43,820
Other current liabilities	31	69,499	26,597
Short term provisions	32	379	224
<b>Total current liabilities (C)</b>		<b>541,517</b>	106,337
<b>Liabilities classified as held for sale (D)</b>	22(b)	<b>867</b>	1,972
<b>Total Equity and Liabilities (A + B + C + D)</b>		<b>2,296,995</b>	985,772
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

**Prashant Singhal**

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

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

Director

(DIN: 00033553)

**Balesh Sharma**

Chief Executive Officer

**Ravinder Takkar**

Director

(DIN: 01719511)

**Akshaya Moondra**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary



## Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Notes	₹ Mn	
		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
Service revenue		369,865	282,420
Sale of trading goods		191	51
Other operating income	33	869	318
<b>Revenue from operations</b>		<b>370,925</b>	<b>282,789</b>
Other income	34	7,311	3,530
<b>TOTAL INCOME</b>		<b>378,236</b>	<b>286,319</b>
<b>OPERATING EXPENDITURE</b>			
Cost of trading goods		260	73
Employee benefit expenses	35	22,944	15,430
Network expenses and IT outsourcing cost	36	170,052	97,334
License fees and spectrum usage charges	37	39,331	28,667
Roaming and access charges	38	41,690	35,358
Subscriber acquisition and servicing expenditure	39	28,007	27,942
Advertisement, business promotion expenditure and content cost	40	10,439	8,148
Other expenses	41	17,772	9,362
		330,495	222,314
<b>PROFIT/(LOSS) BEFORE FINANCE COSTS, DEPRECIATION, AMORTISATION, SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES AND ASSOCIATE, EXCEPTIONAL ITEMS AND TAX</b>		<b>47,741</b>	<b>64,005</b>
Finance costs	42	94,628	48,130
Depreciation	8 & 9	77,984	50,630
Amortisation	10	67,372	33,461
<b>PROFIT/(LOSS) BEFORE SHARE OF PROFIT/(LOSS) OF JOINT VENTURES AND ASSOCIATE, EXCEPTIONAL ITEMS AND TAX</b>		<b>(192,243)</b>	<b>(68,216)</b>
Add: Share in profits/(losses) of joint ventures (net)		2,707	3,458
Add: Share in profit/(loss) of associate		(739)	(234)
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(190,275)</b>	<b>(64,992)</b>
Exceptional items (net)	43	8,521	-
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(181,754)</b>	<b>(64,992)</b>
Tax expense:			
– Current tax	56	182	1,234
– Deferred tax	56 & 57	(35,897)	(24,544)
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>(146,039)</b>	<b>(41,682)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains on defined benefit plans	55	501	442
Income tax effect	56 & 57	(178)	(152)
Group's share in other comprehensive income/(loss) of joint ventures and associate (net of taxes)		5	(7)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>328</b>	<b>283</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>(145,711)</b>	<b>(41,399)</b>
<b>Earnings/(loss) per equity share of ₹ 10 each:</b>	58		
Basic (₹)		(21.16)	(11.36)
Diluted (₹)		(21.16)	(11.36)
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

**Prashant Singhal**

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

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

Director

(DIN: 00033553)

**Balesh Sharma**

Chief Executive Officer

**Ravinder Takkar**

Director

(DIN: 01719511)

**Akshaya Moondra**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

## Consolidated Statement of Changes in Equity for the year ended March 31, 2019

### A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 10 each issued, subscribed and fully paid

	₹ Mn	
	Numbers	Amount
<b>As at April 1, 2017</b>	3,605,328,231	36,053
Issue of shares under Employee Stock Option Scheme (ESOS)	3,117,110	31
Preferential Allotment of Equity shares (refer note 44(vii))	326,633,165	3,266
Allotment of shares under Qualified Institutional Placement (QIP) (refer note 44(vii))	424,242,424	4,243
<b>As at March 31, 2018</b>	<b>4,359,320,930</b>	<b>43,593</b>
Issue of shares pursuant to amalgamation of Vodafone Mobile Services Limited ('VMsL') and Vodafone India Limited ('VInL') with the Company (refer note 3)	4,375,199,464	43,752
Issue of shares under Employee Stock Option Scheme (ESOS)	1,037,935	11
<b>As at March 31, 2019</b>	<b>8,735,558,329</b>	<b>87,356</b>

## Consolidated Statement of Changes in Equity for the year ended March 31, 2019

Particulars	Reserves and surplus						Total		
	Capital reserve (refer note 24(i))	Capital reduction reserve (refer note 24(ii))	Debt redemption reserve	Securities premium	Amalgamation adjustment deficit account (refer note 24 (v))	General reserve		Retained earnings	Employee stock options reserve
<b>As at April 1, 2017</b>	-	-	1,317	133,369	-	169	75,073	1,341	211,269
Profit/(Loss) for the year ended March 31, 2018	-	-	-	-	-	-	(41,682)	-	(41,682)
Other comprehensive income/(loss) for the year ended March 31, 2018	-	-	-	-	-	-	283	-	283
<b>Total comprehensive income/(loss)</b>	-	-	-	-	-	-	<b>(41,399)</b>	-	-
Issue of shares under ESOS	-	-	-	29	-	-	-	-	29
Preferential allotment of equity shares (Net of share issue expenses of ₹ 35 Mn) (refer note 44(viii))	-	-	-	29,198	-	-	-	-	29,198
Allotment of equity shares under Qualified Institutional Placement (QIP) (Net of share issue expenses of ₹ 309 Mn) (refer note 44(vii))	-	-	-	30,448	-	-	-	-	30,448
Transfer from retained earnings	-	-	3,091	-	-	-	(3,091)	-	-
Share-based payment expenses (refer note 54 <sup>(1)</sup> )	-	-	-	-	-	-	-	(229)	(229)
Transfer to Securities premium account on exercise of options	-	-	-	310	-	-	-	(310)	-
Group's share of additional depreciation in joint venture (Indus) on fair valued assets/physical verification adjustments pursuant to scheme	-	-	-	-	-	-	(284)	-	(284)
<b>As at March 31, 2018</b>	-	-	<b>4,408</b>	<b>193,354</b>	-	<b>169</b>	<b>30,299</b>	<b>802</b>	<b>229,032</b>
Profit/(Loss) for the year ended March 31, 2019	-	-	-	-	-	-	(146,039)	-	(146,039)
Other comprehensive income/(loss) for the year ended March 31, 2019	-	-	-	-	-	-	328	-	328
<b>Total comprehensive income/(loss)</b>	-	-	-	-	-	-	<b>(145,711)</b>	-	-
Pursuant to amalgamation of erstwhile Vodafone Mobile Services Limited (VMSL) and erstwhile Vodafone India Limited (VnL) with the Company (refer note 3)	165	277,787	-	842,139	(488,408)	1,393	(122,024)	-	511,052
Pursuant to merger of ABTL with the Company (refer note 44(vi))	(3,474)	-	-	-	-	-	3,449	-	(25)
Indemnity liabilities refer note 3(C)	(85,015)	-	-	-	-	-	-	-	(85,015)
Issue of shares under ESOS	-	-	-	1	-	-	-	-	1
Stamp duty on issue of shares on amalgamation of VMSL and VnL with the Company (refer note 3)	-	-	-	(83)	-	-	-	-	(83)
Share-based payment expenses (refer note 54 <sup>(1)</sup> )	-	-	-	-	-	-	-	(12)	(12)
Transfer to Securities premium account on exercise of options	-	-	-	121	-	-	-	(121)	-
Group's share of additional depreciation in joint venture (Indus) on fair valued assets/physical verification adjustments pursuant to scheme	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>(88,324)</b>	<b>277,787</b>	<b>4,408</b>	<b>1,035,532</b>	<b>(488,408)</b>	<b>1,562</b>	<b>(234,234)</b>	<b>669</b>	<b>508,992</b>

<sup>(1)</sup> The charge for the year is net of reversal on account of cancellation of unvested options.

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No: 101049W/E3000004

**Prashant Singhal**

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

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

**D. Bhattacharya**

Director  
(DIN: 00033553)

**Ravinder Takkar**

Director  
(DIN: 01719511)

**Balesh Sharma**

Chief Executive Officer

**Akshaya Moondra**

Chief Financial Officer

**Pankaj Kapdeo**

Company Secretary

## Consolidated Statement of Cash Flows for the year ended March 31, 2019

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Operating activities</b>		
<b>Loss before tax</b>	<b>(181,754)</b>	(64,992)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Share in (profit) of joint ventures and associate (net)	<b>(1,968)</b>	(3,224)
Depreciation of property, plant and equipment and investment property	<b>77,984</b>	50,630
Amortisation of intangible assets	<b>67,372</b>	33,461
Share-based payment expense (ESOS)	<b>246</b>	(229)
(Gain)/ loss on disposal of property, plant and equipment and intangible assets (net)	<b>(91)</b>	(274)
Accelerated depreciation on account of network re-alignment/ integration (refer note 43)	<b>5,511</b>	-
Finance costs (including fair value change in financial instruments)	<b>94,628</b>	48,130
Provision for gratuity and compensated absences	<b>(672)</b>	254
Bad debts/ advances written off	<b>28</b>	59
Allowance for doubtful debts/ advances	<b>2,301</b>	1,630
Liabilities/ provisions no longer required written back	<b>(652)</b>	(223)
Gain on sale of ICISL and profit before tax of ICISL upto date of sale	<b>(33,766)</b>	-
Other income	<b>(7,311)</b>	(3,530)
<b>Working capital adjustments</b>		
Decrease in trade receivables	<b>3,506</b>	1,996
Decrease in inventories	<b>361</b>	221
Increase in other financial and non-financial assets	<b>(3,666)</b>	(2,483)
Increase/ (Decrease) in trade payables	<b>40,872</b>	(4,558)
(Decrease)/ Increase in other financial and non-financial liabilities	<b>(13,043)</b>	620
<b>Cash flows from operating activities</b>	<b>49,886</b>	57,488
Income tax refund/ (paid) (including TDS) (net)	<b>2,795</b>	(4,164)
<b>Net cash flows from operating activities</b>	<b>52,681</b>	53,324
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	<b>(76,519)</b>	(86,508)
Payment towards -one time spectrum charges	<b>(39,263)</b>	
Proceeds from sale of property, plant and equipment and intangible assets	<b>659</b>	493
Proceeds from sale of subsidiary (refer note 44(i))	<b>42,303</b>	-
Additional investment in associate (refer note 11) <sup>(1)</sup>	<b>(571)</b>	(991)
Net purchase from sale of current investments	<b>(3,731)</b>	(8,385)
Interest received	<b>344</b>	17
Dividend received from joint venture (Indus)	<b>2,990</b>	2,657
<b>Net cash flows used in investing activities</b>	<b>(73,788)</b>	(92,717)

## Consolidated Statement of Cash Flows for the year ended March 31, 2019

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Financing activities</b>		
Proceeds from issue of equity shares on exercise of share options	1	58
Proceeds from allotment of equity share under Qualified Institutional Placement (QIP) (Net of share issue expenses of ₹ 309 Mn) (refer note 44(vii))	-	34,691
Proceeds from Preferential allotment of equity shares (Net of share issue expenses of ₹ 35 Mn) (refer note 44(vii))	-	32,465
Stamp duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 3)	(83)	-
Payment of interest and finance charges <sup>(2)</sup>	(49,914)	(54,900)
Proceeds from long term borrowings	58,072	44,950
Repayment of long term borrowings	(12,432)	(18,015)
Proceeds from short term borrowings	33,712	-
Repayment of short term borrowings	(58,053)	-
<b>Net cash flows from/ (used in) financing activities</b>	<b>(28,697)</b>	39,249
<b>Net decrease in cash and cash equivalents during the year</b>	<b>(49,804)</b>	(144)
Cash and cash equivalents at the beginning of the year	(24)	435
Add: Cash and cash equivalent of VInL and its subsidiaries on amalgamation of VMSL and VInL with the Company (net of bank overdraft ₹ 5,991 Mn (March 31, 2018: Nil)) (refer note 3)	58,307	-
Less: Cash and cash equivalents of VMPL (refer note 44(ii))	(921)	-
Less: Cash and cash equivalents of ICISL (refer note 44(i))	-	(296)
Less: Cash and Cash Equivalent of IMCSL (refer note 44(v))	-	(19)
<b>Cash and cash equivalents at the end of the year</b>	<b>7,558</b>	(24)

<sup>(1)</sup> Excludes value of shares allotted on merger of IMCSL, being non-cash transaction.

<sup>(2)</sup> Includes interest payment on deferred payment liabilities forming part of long term borrowings

### 1. Cash and Cash Equivalents include the following Balance Sheet amounts

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash on hand	82	10
Cheques on hand	461	28
Balances with banks		
In current accounts	6,459	155
In deposit accounts	1,426	-
	<b>8,428</b>	193
Less: Bank overdraft which forms an integral part of cash management (refer note 29)	(870)	(217)
	<b>7,558</b>	(24)

## Consolidated Statement of Cash Flows for the year ended March 31, 2019

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

₹ Mn

Particulars	Borrowing including current maturities	Changes in derivative liabilities (net)	Interest accrued but not due
<b>Balance as at April 1, 2017</b>	550,198	1,885	28,551
(i) Cash flow Items			
Net proceed/ (repayment) of borrowings	26,935	-	-
Payment of Interest and finance charges	(22,403)	(1,759)	(30,738)
(ii) Non-cash items			
Foreign exchange (gain)/ loss	81	-	(81)
Accrued interest on sub-judice matters	-	-	(473)
Finance cost accrued (charged to profit and loss/ capitalised)	-	(42)	52,239
Interest on asset retirement obligation	-	-	(47)
Deferred payment liability for spectrum on allotment of Spectrum	3,180	-	-
Net upfront fees addition/ amortisation	524	-	(524)
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	21,119	-	(21,119)
<b>Balance as at March 31, 2018</b>	<b>579,634</b>	<b>84</b>	<b>27,808</b>
(i) Cash flow Items			
Net proceed/ (repayment) of borrowings	21,299	-	-
Payment of Interest and finance charges	(9,023)	(70)	(40,821)
(ii) Non-cash items			
Addition pursuant to amalgamation of VMSL, VInL and its subsidiaries with the Company (refer note 3)	622,887	(2,453)	26,331
Foreign exchange (gain)/ loss	1,389	-	(1,389)
Finance cost accrued (charged to profit and loss/ capitalised)	-	3,011	94,566
Upfront fees amortisation	907	-	(907)
Interest on asset retirement obligation	-	-	(9)
Accrued interest on finance lease and deferred payment liability for spectrum transferred to borrowing on anniversary date	41,436	-	(41,436)
<b>Balance as at March 31, 2019</b>	<b>1,258,529</b>	<b>572</b>	<b>64,143</b>

3. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows. The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

#### Prashant Singhal

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

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

#### D. Bhattacharya

Director

(DIN: 00033553)

#### Balesh Sharma

Chief Executive Officer

#### Ravinder Takkar

Director

(DIN: 01719511)

#### Akshaya Moondra

Chief Financial Officer

#### Pankaj Kapdeo

Company Secretary

## Notes forming part of the Consolidated Financial Statements

### 1. CORPORATE INFORMATION

Vodafone Idea Limited (formerly Idea Cellular Limited) ('the Company'), a public limited company, was incorporated under the provisions of the Companies Act applicable in India on March 14, 1995. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (Scrip Code; NSE: IDEA, BSE: 532822). The registered office of the Company is situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar – 382011, Gujarat.

Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMSL) (hereinafter collectively called as "erstwhile Vodafone") merged into Idea Cellular Limited (ICL) on August 31, 2018 (Effective Date). This has resulted in the formation of a Joint Venture between the promoter Groups i.e. Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly consolidated financial statements for the year ended March 31, 2019 includes consolidated financial results of the operation of VInL and its subsidiaries for the period from August 31, 2018 to March 31, 2019. The Company is leading telecom service provider in India. The Company and its subsidiaries ("the Group") is engaged in the business of Mobility and Long Distance services, trading of handsets and data cards, and payment banking services across India.

These consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 13, 2019.

### 2. (A) STATEMENT OF COMPLIANCE

These consolidated financial statements of the Company, its subsidiaries (the "Group"), joint ventures and associate comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Statement of Consolidated Cash Flows together with the consolidated notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

### (B) BASIS OF PREPARATION AND CONSOLIDATION

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All financial information presented in INR has been rounded off to million unless otherwise stated.

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

The consolidated financial statements have been consolidated in accordance with Ind AS 110, 'Consolidated Financial Statements'.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee and
- Has the ability to affect those returns through its power to direct the relevant activities of the investee.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than majority of voting or similar rights over an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Rights arising from other contractual arrangements
- Potential voting rights held by the Group

The consolidated financial statements of the group are prepared based on a line by line consolidation of the separate financial statements of the Company and its subsidiaries whereby the book values of like items of assets, liabilities, income, expenses and tax have been added after eliminating intra-group balances, transactions and resulting unrealised gains or losses.

Subsidiaries are consolidated from the date on which control is acquired by the group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet, respectively.

The financial statements of the following entities in the Group are prepared using uniform accounting policies and are drawn up to the same accounting period as that of the Company.

## Notes forming part of the Consolidated Financial Statements

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			As at March 31, 2019	As at March 31, 2018
1	Idea Telesystems Limited ('ITL')	Subsidiary	100.00	100.00
2	Aditya Birla Telecom Limited <sup>(1)</sup> ('ABTL')	Subsidiary	-	100.00
3	Idea Cellular Services Limited ('ICSL')	Subsidiary	100.00	100.00
4	Idea Cellular Infrastructure Services Limited <sup>(2)</sup> ('ICISL')	Subsidiary	-	100.00
5	Vodafone Towers Limited ('VTL') <sup>(4)</sup>	Subsidiary	100.00	-
6	Vodafone Business Services Limited ('VBSL') <sup>(4)</sup>	Subsidiary	100.00	-
7	Mobile Commerce Solutions Limited ('MCSL') <sup>(4)</sup>	Subsidiary	100.00	-
8	Vodafone Foundation ('VF') (Registered under section 8 of Companies Act, 2013) <sup>(4)</sup>	Subsidiary	100.00	-
9	Connect (India) Mobile Technologies Private Limited ('CIMTPL') <sup>(4)</sup>	Subsidiary	100.00	-
10	Vodafone m-pesa Limited ('VMPL') <sup>(3)</sup> and <sup>(4)</sup>	Subsidiary	100.00	-
11	Vodafone Technology Solutions Limited ('VTSL') <sup>(4)</sup>	Subsidiary	100.00	-
12	Vodafone India Ventures Limited ('VIVL') <sup>(4)</sup>	Subsidiary	100.00	-
13	Vodafone India Digital Limited ('VIDL') <sup>(4)</sup>	Subsidiary	100.00	-
14	You Broadband India Limited ('YBIL') <sup>(4)</sup>	Subsidiary	100.00	-
15	You System Integration Private Limited ('YSIPL') <sup>(4)</sup>	Subsidiary	100.00	-

<sup>(1)</sup> Merged with VIL effective from November 30, 2018 (refer note 44(vi))

<sup>(2)</sup> Ceased to exits from May 31, 2018 (refer note 44 (i))

<sup>(3)</sup> Classified as asset held for sale (refer note 44(ii))

<sup>(4)</sup> Effective August 31, 2018, pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)

The Financial Statements of the following associate and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Group and the accounting policies have been changed where necessary to ensure consistency with the policies adopted by the group. Both the entities are incorporated in India.

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			March 31, 2019	March 31, 2018
1	Indus Tower Limited (Indus)	Joint Venture <sup>(1)</sup>	11.15	11.15
2	Aditya Birla Idea Payments Bank Limited (ABIPBL)	Associate	49.00	49.00
3	Firefly Networks Limited <sup>(2)</sup>	Joint Venture <sup>(1)</sup>	50.00	-

<sup>(1)</sup> by virtue of the joint venture agreement.

<sup>(2)</sup> Effective August 31, 2018, pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)

### Changes in ownership interests

#### a) Subsidiaries

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. The subsidiaries are deconsolidated from the date the Group loses control on such subsidiaries. When

the Group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are reclassified to profit and loss on disposal of the related assets and liabilities.

#### b) Associates and Joint Arrangements

The Group ceases to equity account for an investment if it loses joint control or significant influence over such



## Notes forming part of the Consolidated Financial Statements

equity accounted investee. When the group ceases to equity account for an investee, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest in the investee. In addition, any amounts previously recognised in other comprehensive income in respect of that investee are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit and loss where appropriate.

### **New and amended standards adopted by the Group**

#### Ind AS-115, "Revenue from Contracts with Customers"

Effective April 1, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" basis the modified retrospective method applied retrospectively to the contracts that are not completed as of April 1, 2018 (being date of initial application). Accordingly, the comparative information has not been restated. The effect on adoption of the said standard was insignificant on these consolidated financial statements.

The new revenue recognition standard Ind AS 115 defines a new five-step model to recognise revenue from customer contracts. Revenue is recognised when a customer obtains control of the goods or receives services and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard supersedes Ind AS 18 'Revenue' and Ind AS 11 'Construction contracts' and related interpretations.

Other standards such as Ind AS 12 - "Income tax", Ind AS 21 - "Foreign currency transactions and advance consideration",

Ind AS 112 - "Disclosure of Interests in Other Entities", Ind AS 28 'Investments in Associates and Joint Ventures' and Ind AS 40 - "Investment property" do not have any impact on the Group.

### **3. AMALGAMATION OF VODAFONE MOBILE SERVICES LIMITED ('VMSL') AND VODAFONE INDIA LIMITED ('VINL') WITH THE COMPANY**

Vodafone Mobile Services Limited (VMSL), Transferor Company 1 and Vodafone India Limited (VinL), Transferor Company 2 (collectively the Transferor Companies) who were in the business of providing telecommunication services under the respective licenses issued to them by the Department of Telecom (DoT), merged in to Idea Cellular Limited (ICL), the Transferee Company. These companies filed a scheme of amalgamation which was approved by their respective

shareholders, creditors, Securities and Exchange Board of India (SEBI), Stock Exchanges, Competition Commission of India, Department of Telecommunications (DoT), Foreign Investment Promotion Board, Reserve Bank of India (RBI) and other required authorities / third parties. The scheme as approved by various regulatory authorities was sanctioned for the Transferee Company by Ahmedabad bench of National Company Law Tribunal (NCLT) on January 11, 2018 and for the Transferor Companies by the Mumbai bench of NCLT on January 19, 2018 subject to approval by DoT. The approval from DoT was received on July 26, 2018 after the Transferee Company deposited ₹ 39,263 Mn and provided a bank guarantee (BG) of ₹ 33,224 Mn under protest. The scheme became effective on August 31, 2018, the date on which the schemes along with all approvals, (including final NCLT approval) were filed with the Registrar of Companies (RoC) at Ahmedabad. Upon the scheme becoming effective the Transferor Companies stood dissolved without being wound-up.

This resulted in formation of a joint venture between the promotor groups i.e. Vodafone Group and Aditya Birla Group and change of name from ICL to Vodafone Idea Limited (VIL). The Vodafone Group and Aditya Birla Group owns 45.1% and 26.0% in the combined Company respectively and the balance 28.9% is owned by other shareholders as on August 31, 2018.

In compliance with the scheme, on merger of VMSL i.e. Transferor Company 1 with the Transferee Company, 3,893,927,522 equity shares of VIL were issued to VinL i.e. Transferor Company 2 being the shareholder of Transferor Company 1. Immediately thereafter, on merger of VinL i.e. Transferor Company 2 with the Transferee Company, these shares were cancelled and 4,375,199,464 equity shares were issued afresh to shareholders of VinL. The stamp duty paid on such issue amounting to ₹ 83 Mn has been debited to Securities Premium Account.

As per Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013, no specific accounting guidance is given in case of formation of a joint venture, hence, the Company had an option to either recognise contribution of business from the joint ventures using 'Pooling of interest' method or adopt the 'fair value' method. The Company has adopted 'Pooling of interest' method. Accordingly, all the assets, liabilities and reserves of Transferor companies and its subsidiaries have been recorded at their carrying amounts and in the form in which they appeared in the financial statements as at the date of merger of the respective Transferor Companies and its subsidiaries and joint venture. The financial information in the consolidated financial statements in respect of prior periods are not restated as the business combination was not involving entities under common control.

On the scheme becoming effective, the Company has consolidated line by line the assets, liabilities and components of Other Equity of each of the Transferor Companies after eliminating the inter-company transactions between these entities and adjustments with respect to alignment of accounting policies and practices through retained earnings.

## Notes forming part of the Consolidated Financial Statements

### A) The aggregate carrying balances of the Transferor Companies and its subsidiaries which merge into the Company for the purposes of consolidation are as under:

Particulars	Transferor Companies and its subsidiaries	Elimination <sup>(1)</sup>	Adjustments <sup>(2)</sup>	Total
<b>ASSETS</b>				
Property, plant and equipment	275,218	-	(561)	274,657
Capital work-in-progress	15,271	-	-	15,271
Other Intangible assets	645,774	-	(4,384)	641,390
Intangible assets under development	100,941	-	-	100,941
Investment property	679	-	-	679
Non-current investments	488,256	(8,222)	(2,311)	477,723
Other non-current financial assets	7,676	-	-	7,676
Deferred tax assets (net)	56,378	-	(1,216)	55,162
Other non-current assets	133,027	(97)	-	132,930
Inventories	36	-	-	36
Short term loans to related Parties	116,980	(116,971)	-	9
Trade receivables	30,444	(428)	-	30,016
Cash and cash equivalents	64,298	-	-	64,298
Bank balances other than cash and cash equivalents	1,228	-	-	1,228
Other current financial assets	5,082	(2,756)	-	2,326
Other current assets	49,012	(2)	-	49,010
<b>Total Assets</b>	<b>1,990,300</b>	<b>(128,476)</b>	<b>(8,472)</b>	<b>1,853,352</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	41,223	(8,156)	-	33,067
Other equity	981,704	(48)	17,804	999,460
<b>Total equity</b>	<b>1,022,927</b>	<b>(8,204)</b>	<b>17,804</b>	<b>1,032,527</b>
<b>Liabilities</b>				
Long term borrowings	498,421	(6,250)	-	492,171
Other non-current financial liabilities	8,896	(113)	-	8,783
Long term provisions	1,448	-	-	1,448
Other non-current liabilities	944	(96)	-	848
Short term borrowings	181,854	(110,608)	-	71,246
Trade payables	63,485	(2,623)	(1,936)	58,926
Other current financial liabilities	134,121	(557)	-	133,564
Other current liabilities	76,454	(25)	(24,340)	52,089
Short term provisions	1,750	-	-	1,750
<b>Total liabilities</b>	<b>967,373</b>	<b>(120,272)</b>	<b>(26,276)</b>	<b>820,825</b>
<b>Total Equity and Liabilities</b>	<b>1,990,300</b>	<b>(128,476)</b>	<b>(8,472)</b>	<b>1,853,352</b>

<sup>(1)</sup> Represents elimination between Transferor Company 1, Transferor Company 2 and its subsidiaries.

<sup>(2)</sup> Effects of alignment of accounting policies and practices, transaction between Transferor Companies and the Company.

With the amalgamation of the Transferor Companies as mentioned above, entities which were subsidiaries and joint venture of the Transferor Companies became the subsidiaries and joint venture of the Transferee Company resulting in the carrying values of assets, liabilities and equity of each of the subsidiary and joint venture entities to form part of the consolidated financial statements of the Company.

## Notes forming part of the Consolidated Financial Statements

### B) Details of other equity on amalgamation of Transferor Company 1 and Transferor Company 2 and its subsidiaries and joint venture

Particulars	Capital reserve	Capital reduction reserve	Securities premium	Amalgamation adjustment deficit account <sup>(1)</sup>	General reserve	Retained earnings	Total
Reserve of Transferor Companies and its subsidiaries	165	277,787	842,139	-	1,393	(139,828)	981,656
Alignment of accounting policies and practices	-	-	-	-	-	17,804	17,804
Investment of Transferor Company 2 into Transferor Company 1	-	-	-	(477,723)	-	-	(477,723)
Difference between share capital of Transferor Companies and share capital issued by Transferee Company	-	-	-	(10,685)	-	-	(10,685)
<b>Total</b>	<b>165</b>	<b>277,787</b>	<b>842,139</b>	<b>(488,408)</b>	<b>1,393</b>	<b>(122,024)</b>	<b>511,052</b>

<sup>(1)</sup> On amalgamation, the effect of cancellation of investment of Transferor Company 2 into Transferor Company 1 of ₹ 477,723 Mn, and difference between share capital of Transferor Companies of ₹ 33,067 Mn and shares issued by the Company of ₹ 43,752 Mn to the shareholders of the Transferor Companies have resulted into creation of the amalgamation adjustment deficit account being debit balance in accordance with the guidance given under education material on Ind-AS 103 issued by The Institute of Chartered Accountants of India.

C) Further, the Implementation Agreement entered between the parties defines a settlement mechanism between the Company and VInL shareholders for any cash inflow/outflow that could possibly arise from the settlement of certain outstanding disputes pertaining to period until May 31, 2018. Accordingly, VIL has recorded net indemnity liability of ₹ 83,923 Mn, of which ₹ 85,015 Mn is recorded through capital reserve, on merger. The liability has been disclosed as other non-current financial liability. The settlement of this indemnity liability would happen periodically as defined in the Agreement starting from June 2020 and will not extend beyond June 2025. In the event such disputed matters do not finally result in cash inflows/outflows within the indemnity period, there would be no settlement to/from the erstwhile VInL shareholders by/to the Company. The settlement between the Company and VInL shareholders for any cash inflow/outflow that could possibly arise shall be subject to RBI approval, if any, which would be evaluated/ obtained at the time of actual settlement with VInL shareholders.

4. The Group has incurred a net loss for the year ended March 31, 2019 of ₹ 146,039 Mn (year ended March 31, 2018 ₹ 41,682 Mn) and has a negative working capital as at March 31, 2019 of ₹ 359,520 Mn (March 31, 2018 ₹ 14,500 Mn). The borrowings including interest thereon repayable during next twelve month period ending March 31, 2020 is ₹ 333,079 Mn. This includes gross borrowings of ₹ 102,802 Mn reclassified from long term to short term as the Group was not able to meet certain financial ratios, which the Group is confident will not result in any accelerated payment (refer note 25(b)). In addition, the Group expects to incur capital expenditure to achieve its planned business growth as per its approved business plan. Subsequent to the year end, the Group has raised an amount aggregating ₹ 249,998 Mn by way of a rights issue from existing eligible

equity shareholders, including promoter contribution of ₹ 179,207 Mn. On this basis, the Group believes that the capital infusion as mentioned above, existing cash and cash equivalents (including current investments) of ₹ 75,516 Mn as at March 31, 2019, expected cash flow from sale of certain non-current investments and cash from operations over the next 12 months is sufficient for scheduled debt repayments, including interest, capital expenditure payouts and other working capital requirements of the Group for the next twelve months. These financial statements have therefore 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

## Notes forming part of the Consolidated Financial Statements

- reduction from the transaction price unless the payment to the customer is in exchange for a distinct good or service 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 by transferring goods or services to a customer before the same is invoiced to the customer, unbilled income is recognised for the earned consideration that is conditional on satisfaction of performance obligation.
- iii) Trade receivables
- A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 5-r Financial instruments – initial recognition and subsequent measurement.
- iv) Advance from customer and deferred revenue
- Advance from customer and deferred revenue is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Advance from customer and deferred revenue are recognised as revenue when the Group fulfils its performance obligations under the contract.
- v) Interest income
- Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- vi) Dividends
- Dividend income is recognised when the Group's right to receive the payment is established.
- vii) Cost to obtain a contract
- The Group pays sales commission to its channel partners for each contract that they obtain. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.
- b) Leases**
- The Group evaluates whether an arrangement is (or contains) a lease based on the substance of the arrangement at the inception of the lease. An arrangement which is dependent on the use of a specific asset or assets and conveys a right to use the asset or assets, even if it is not explicitly specified in an arrangement is (or contains) a lease.
- Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- i. Group as a lessee
- Finance lease:
- Assets held under finance leases are initially recognised as assets at the commencement of the lease at their fair value or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance costs and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised in the Consolidated statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Such assets are depreciated / amortised over the period of lease or estimated useful life of the assets whichever is less. Contingent rentals are recognised as expenses in the periods in which they are incurred.

## Notes forming part of the Consolidated Financial Statements

Operating lease:

Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Contingent rentals arising, if any, under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

ii. Group as a lessor

Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

The Group enters into agreements which entitle its customers 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 Pension 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 Life Insurance Corporation of India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimation of the payments. Any deficit in plan assets managed by LIC as compared to the liability based on an independent actuarial valuation is recognised as a liability. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated balance sheet with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Consolidated statement of profit and loss in subsequent periods.

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

- Service costs; and
- Net interest expense or income

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

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

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date. The related re-measurements are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

iv. Share-based payments

Equity-settled share-based payments to employees for options granted by the Group to its employees are measured at the fair value of the equity instruments at the grant date.

## Notes forming part of the Consolidated Financial Statements

Stock option of Vodafone Group Plc (VGPLC) granted to the employees of the Group are accounted as cash-settled share based payments by the Group.

The fair value determined at the grant date of the equity settled share-based payments is expensed over the period in which the performance or service conditions are fulfilled, based on the Group's estimate of stock options that will eventually vest, with a corresponding increase in equity. The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve or liability as applicable.

In respect of cancellation of unvested stock options, the amount already charged as share based payment expense is reversed under the same head in the Consolidated Statement of Profit and Loss.

In respect of modification such as re-pricing of existing stock option, the difference in fair value of the option on the date of re-pricing is accounted for as share based payment expense over the remaining vesting period.

### d) Annual Revenue Share License Fees – and Spectrum Usage Charges

The variable license fees and annual spectrum usage charges, computed basis of adjusted gross revenue, are charged to the Consolidated Statement of Profit and Loss in the period in which the related revenue arises as per the license agreement of the licensed service area at prescribed rate.

### e) Foreign currency transactions

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

Transactions in foreign currencies are initially recorded at the INR spot rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised on net basis within finance cost in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

### f) Exceptional items

Items of income or expense which are non-recurring or outside of the ordinary course of business and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group are disclosed as Exceptional items in the Consolidated Statement of Profit and Loss.

### g) Taxes

Income tax expense represents the sum of current tax and deferred tax.

#### i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

#### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is

## Notes forming part of the Consolidated Financial Statements

realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation statute.

### h) Current / Non – Current Classification

An asset is classified as current when

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

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

A liability is classified as current when

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

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

### i) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods, or for administrative purposes, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment, non-refundable duties and borrowing cost relating to qualifying assets. In line with the transitional provisions, exchange differences on long term foreign currency borrowings taken on or before March 31, 2016 are continued to be capitalized under PPE. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that

future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold Land is not depreciated. Depreciation on all other assets under PPE commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.

Asset Retirement Obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. ARO is measured based on present value of expected cost to settle the obligation.

Particulars	Estimated useful life (in years)
Buildings	25 to 30
Leasehold Improvements	Period of lease or 10 years whichever is lower
Network Equipments	7 to 13
Optical Fibre	15
Other Plant and Equipment	2 to 5
Office Equipments	3 to 5
Computers and servers	3 to 5
Furniture and Fixtures	5 to 10
Motor Vehicles	2 to 5

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

## Notes forming part of the Consolidated Financial Statements

are subsequently measured at historical cost less accumulated depreciation and impairment loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit and loss in the period of derecognition.

Depreciation is charged so as to write off the cost of investment properties using the straight-line method, over the leasehold period or estimated useful lives, whichever is lower.

### k) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Consolidated statement of profit and loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period, residual value and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on straight line method as under:

- Cost of spectrum is amortised on straight line method from the date when the related network is ready for intended use over the unexpired period of the spectrum.

- Cost of licenses is amortised on straight line method from the date of launch of circle/ renewal of license over the unexpired period of the license.
- Software, which is not an integral part of hardware, is treated as an intangible asset and is amortised over its useful economic life as estimated by the management between 3 to 5 years.
- Bandwidth capacities acquired under Indefeasible Right to Use (IRU) basis is accounted for as intangible assets and amortised over the period of the agreement.
- Brand - Separately acquired brand is shown at historical cost. Subsequently brand is carried at cost less accumulated amortisation and impairment loss, if any. The Group amortises brand using the straight line method over the estimated useful life of 15 years.

Cost of Intangible assets under development represents cost of intangible assets not ready for intended use as on the reporting date. It includes the amount of spectrum allotted to the Group and related borrowing costs (that are directly attributable to the acquisition or construction of qualifying assets) if any, for which network is not yet ready.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

### l) Non – Current Assets Held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and its sale is highly probable. The sale is considered highly probable only when the asset or disposal groups is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and the sale is expected to be completed within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Consolidated Balance Sheet.

Non-current assets that ceases to be classified as held for sale are measured at lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.



## Notes forming part of the Consolidated Financial Statements

### m) Impairment of Non – Financial Assets

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

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

For assets excluding goodwill, impairment losses recognized in the earlier periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the Group estimates the asset's (or cash generating unit's) recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in the Consolidated statement of profit and loss.

### n) Investment in Associates and Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates are all entities over which the group has significant influence but not control or joint control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee.

Investments in joint ventures and associates are initially recognised at cost and subsequently accounted for using the equity method of accounting in the consolidated financial statements of the group as per Ind AS 28 – Investments in Associates and Joint ventures.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investee equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investee. If the equity-accounted investee subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of profits equals the share of losses not recognised.

Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The entire carrying amount of the investment (including goodwill) is tested for impairment if there is objective evidence indicating impairment. Impairment is tested in accordance with Ind AS 36 – Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount. Any reversal of the impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

### o) Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for

## Notes forming part of the Consolidated Financial Statements

capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the finance costs.

### p) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### q) Cash and cash equivalents

Cash and cash equivalents in the Consolidated balance sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of consolidated cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### r) Financial Instruments

#### Initial recognition and measurement

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

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

#### i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way 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) – 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. 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.

## Notes forming part of the Consolidated Financial Statements

### 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 16.

### 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 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-

## Notes forming part of the Consolidated Financial Statements

derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative instrument. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

#### iv. Offsetting financial instruments

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

#### s) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their 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 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) Onerous Contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

#### w) Provisions and Contingent Liabilities

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate

## Notes forming part of the Consolidated Financial Statements

that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i. **Asset Retirement Obligation (ARO)**

ARO is provided for those lease arrangements where the Group has a binding obligation to restore the said location / premises at the end of the period in a condition similar to inception of the arrangement. The restoration and decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Consolidated statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

ii. **Contingent Liabilities**

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

x) **Business Combinations**

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Acquisition related costs are recognized in the Consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their respective fair value at the acquisition date, except certain assets and liabilities required to be measured as per applicable standards.

Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration, after reassessment of fair value of net assets acquired, is recognised as capital reserve.

Business Combinations arising from transfer of interests in entities that are under common control and entities which results in formation of joint ventures, where one of the combining entities does not obtain control of the other combining entity or entities, accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their

carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

6. **USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS**

The preparation of the 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.

A. **Estimates and Assumptions**

i. **Share-based payments**

The Group initially measures the cost of equity-settled transactions with employees using Black & Scholes model to determine the fair value of the liability incurred. Share issued by Vodafone Group Plc., is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 54.

ii. **Taxes**

The respective companies provide for tax considering the applicable tax regulations and based on reasonable estimates.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

## Notes forming part of the Consolidated Financial Statements

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.

To ensure that there is convincing evidence that the respective companies will have sufficient taxable profits, the Group has used 10 years projections. A terminal growth rate consistent with the long-term average growth rate of the industry and internal / external sources of information has been used for extrapolating cash flows beyond the planning period of 5 years. Further details about taxes refer note 56 and 57.

### iii. **Defined benefit plans (gratuity and compensated absences benefits)**

The Group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 55(A).

### iv. **Allowance for Trade receivable**

For the purpose of measuring the expected credit loss for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively depending on their significance. Individual trade receivables are written off when management deems them not to be collectible on assessment of facts and circumstances. Refer note 16.

### v. **Useful life of Property, Plant and Equipment**

The useful life to depreciate property, plant and equipment is based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset, and manufacturers' warranties, maintenance and support period, etc. The charge for the depreciation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in note 8.

### vi. **Impairment of Non-financial assets**

Non-financial assets i.e. Property, Plant and Equipment (including CWIP) and Intangible assets (including Intangible assets under development) are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the fair value less costs of disposal calculated based on available information and sensitive to the discount rate, valuation techniques, expected future cash inflows and the growth rate (refer note 63).

### vii. **Operating lease commitments – Group as lessee**

The Group has entered into lease agreements for properties and cell sites. The classification of the leasing arrangement as a finance lease or operating lease is based on the evaluation of several factors including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the assets' economic life, proportion of present value of minimum lease payment to fair value of lease asset and extent of specialized nature of the leased asset. Lease arrangements where

## Notes forming part of the Consolidated Financial Statements

the significant risks and rewards related to properties and cell sites are retained with the lessors, are accounted for as operating leases. Refer note 47(a) for further details about operating lease.

### viii. 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 46 for further details about Contingent liabilities.

## 7. NEW ACCOUNTING PRONOUNCEMENTS TO BE ADOPTED ON OR AFTER APRIL 1, 2019.

### a. Ind AS 116- Leases

Ind AS 116 on Leases has been notified by the Ministry of Corporate Affairs on March 30, 2019 and is applicable from April 1, 2019. Ind AS 116 will replace Ind AS 17, the existing lease standard. The revised standard sets out the principles for recognition, measurement, presentation and disclosure of leases. It requires the lessee to recognize assets and liabilities for all leases with a few exemptions / exceptions. However, there is no major change in accounting by the lessor. The rights and obligations related to operating leases will now have to be recognised as assets (right-of-use asset) and liabilities (lease liability) in the Balance sheet of lessee vis-à-vis a disclosure requirement of future minimum lease payments as per the current standard. This may result in a significant increase in the Group's Total Assets and Lease Liability. Currently, the lease rentals for Operating Leases are charged to Statement of Profit & Loss as operating expenses. Going forward, the Right of Use Asset will be amortized over the lease period.

The Group is currently in the process of evaluating the effects of this standard on the consolidated financial statements.

### b. Amendment to Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The amendment provides clarification on the uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/ (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initial application of Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The amendment is applicable from April 1, 2019. The Group is in process of evaluating the effects of this amendment on the consolidated financial statements.

### c. Amendment to Ind AS 12 'Income Tax'

The amendment clarifies that the income tax consequences of dividends including payments on financial instruments classified as equity, are linked more directly to past transactions or events that generated distributable profits rather than to distribution of such amounts to owners. Therefore, an entity shall recognise the income tax consequences of dividends in the Statement of Profit and Loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment is applicable from April 1, 2019 and has no impact on the consolidated financial statements.

### d. Amendment to Ind AS 23 'Borrowing Costs'

The amendment clarifies that for computing general rate of borrowed funds, an entity should exclude specific borrowing for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remains outstanding after the related qualifying asset is ready for use or sale should subsequently be considered as part of general borrowing costs of the entity. The amendment is applicable from April 1, 2019 and has no impact on the consolidated financial statements.

### e. Amendment to Ind AS 19 'Employee Benefits'

The amendment clarifies that when a defined benefit plan is amended, curtailed or settled during a reporting period, the entity would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the period after the plan amendment, curtailment or settlement.

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

## Notes forming part of the Consolidated Financial Statements

The amendment is applicable from April 1, 2019 and has no significant impact on the Group's Consolidated Financial Statements.

### f. **Amendment to Ind AS 111 'Joint Arrangements'**

The amendment clarifies that when a party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. In such cases, previously held interests in the joint operation are not re-measured.

The amendment is applicable from April 1, 2019 and has no impact on the Group's Consolidated Financial Statements.

### g. **Amendment to Ind AS 109 'Financial Instruments'**

The amendment clarifies that an exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion i.e. the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' for financial asset or a debt instrument which:

- i. have a prepayment feature that results in negative compensation
- ii. apart from the prepayment feature other features of financial assets would have contractual cash flows which would meet the SPPI criteria and
- iii. The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. (If it is impracticable to assess based on facts and circumstances that existed on initial recognition, then exception would not be available)

Such financial assets or debt instrument could be measured at amortised cost or at FVOCI based on business model within which they are held.

The amendment is applicable from April 1, 2019 and has no significant impact on the Group's Consolidated Financial Statements.

### h. **Amendment to Ind AS 103 Business Combination**

The amendment clarifies that, when a party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including re-measuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer re-measures its entire previously held interest in the joint operation.

These amendments will apply to business combinations for which acquisition date is on or after April 1, 2019. Currently the same are not applicable to the Group, but may apply to future transactions.

### i. **Amendments to Ind AS 28: Long-term interests in associates and joint ventures**

The amendment clarifies that an entity needs to apply Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendment also clarifies that, in applying Ind AS 109, an entity should not take into account any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arose from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for financial year beginning on or after April 1, 2019. Since the Group does not have such long-term interests in its associate and joint venture to which the equity method is not applied, the amendment has no impact on its consolidated financial statements.



## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	Freehold land	Leasehold Land	Buildings	Leasehold Improvement	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>									
<b>Cost</b>									
<b>As at April 1, 2017</b>	119	-	861	226	321,568	951	814	1,332	325,871
Additions	-	-	-	-	71,886	30	188	687	72,791
Disposals/Adjustments	-	-	-	(2)	(704)	(18)	(1)	(183)	(908)
Transferred to AHFS (refer note 44(ii))	-	-	(1)	-	(10,413)	(1)	(5)	(33)	(10,453)
<b>As at March 31, 2018</b>	119	-	860	224	382,337	962	996	1,803	387,301
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	66	604	4,197	1,366	450,407	1,010	1,452	25	459,127
Additions	-	-	32	14	67,426	3	76	149	67,700
Disposals/Adjustments	-	-	(3)	(318)	(9,267)	(199)	(98)	(355)	(10,240)
Transferred to AHFS (refer note 44(ii))	-	-	-	-	(637)	-	-	-	(637)
<b>As at March 31, 2019</b>	185	604	5,086	1,286	890,266	1,776	2,426	1,622	903,251
<b>Accumulated Depreciation</b>									
<b>As at April 1, 2017</b>	-	-	140	61	96,167	193	339	528	97,428
Depreciation charge for the year	-	-	32	34	49,844	150	198	372	50,630
Disposals/Adjustments	-	-	-	(2)	(564)	(3)	(1)	(136)	(706)
Transferred to AHFS (refer note 44(ii))	-	-	-	-	(4,583)	-	(3)	(14)	(4,600)
<b>As at March 31, 2018</b>	-	-	172	93	140,864	340	533	750	142,752
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	-	26	216	969	181,548	752	947	12	184,470
Depreciation charge for the year	-	5	154	118	76,707	304	342	347	77,977
Disposals/Adjustments <sup>(4)</sup>	-	-	-	(235)	(3,620)	(126)	(79)	(177)	(4,237)
Transferred to AHFS (refer note 44(ii))	-	-	-	-	(237)	-	-	-	(237)
<b>As at March 31, 2019</b>	-	31	542	945	395,262	1,270	1,743	932	400,725
<b>Net Book Value</b>									
<b>As at March 31, 2019</b>	<b>185</b>	<b>573</b>	<b>4,544</b>	<b>341</b>	<b>495,004</b>	<b>506</b>	<b>683</b>	<b>690</b>	<b>502,526</b>
<b>As at March 31, 2018</b>	<b>119</b>	<b>-</b>	<b>688</b>	<b>131</b>	<b>241,473</b>	<b>622</b>	<b>463</b>	<b>1,053</b>	<b>244,549</b>

**Footnotes:**

- Plant and machinery includes gross block of assets capitalised under finance lease ₹ 19,115 Mn (March 31, 2018: ₹ 11,859 Mn) and corresponding accumulated depreciation being ₹ 14,540 Mn (March 31, 2018: ₹ 8,431 Mn). Additions in plant and machinery during the year includes gross block of assets capitalised under finance lease ₹ 2,119 Mn (March 31, 2018: ₹ 2,061 Mn) and corresponding accumulated depreciation being ₹ 204 Mn (March 31, 2018: ₹ 228 Mn).
- Refer note 25(a) for assets pledged as securities towards funded and non-funded facilities.
- Net foreign exchange loss/ (gain) amounting to ₹ 397 Mn capitalised during the year (March 31, 2018: ₹ (192) Mn decapitalised).
- Disposals/ adjustments include accelerated depreciation charge of ₹ 5,511 Mn (March 31, 2018: ₹ Nil) on account of network re-alignment/ integration cost and disclosed under exceptional items.

## Notes forming part of the Consolidated Financial Statements

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>9 INVESTMENT PROPERTY</b>		
<b>Leasehold Land</b>		
<b>Cost</b>		
Opening balance	-	-
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	720	-
Closing balance	720	-
<b>Accumulated depreciation</b>		
Opening Balance	-	-
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	41	-
Depreciation charge for the period	7	-
Closing balance	48	-
<b>Net book value</b>	<b>672</b>	<b>-</b>

The remaining lease term for Leasehold land is 55 years. Fair value of investment property has been determined based on comparable market value of similar property. The fair value of the investment property is ₹ 988 Mn.

Refer Note 61(v) Financial Instruments by Category for fair value disclosures of Investment Property.

## Notes forming part of the Consolidated Financial Statements

	₹ Mn				
Particulars	Entry/ license fees and spectrum	Brand	Computer - Software	Bandwidth	Total
<b>10 INTANGIBLE ASSETS</b>					
<b>Cost</b>					
<b>As at April 1, 2017</b>	<b>565,400</b>	-	<b>4,149</b>	<b>11,418</b>	<b>580,967</b>
Additions	42,593	-	1,016	3,037	46,646
Transferred to AHFS (refer note 44(i))	-	-	(6)	-	(6)
<b>As at March 31, 2018</b>	<b>607,993</b>	-	<b>5,159</b>	<b>14,455</b>	<b>627,607</b>
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3) <sup>(5)</sup>	709,704	26,222	11,971	8,716	756,613
Additions	144,599	-	2,066	1,856	148,521
Disposals/Adjustments	-	-	(54)	(69)	(123)
Transferred to AHFS (refer note 44(ii))	-	-	(177)	-	(177)
<b>As at March 31, 2019</b>	<b>1,462,296</b>	<b>26,222</b>	<b>18,965</b>	<b>24,958</b>	<b>1,532,441</b>
<b>Accumulated Amortisation</b>					
<b>As at April 1, 2017</b>	<b>38,554</b>	-	<b>1,840</b>	<b>1,445</b>	<b>41,839</b>
Amortisation charge for the year	31,062	-	1,405	994	33,461
Transferred to AHFS (refer note 44(i))	-	-	(2)	-	(2)
<b>As at March 31, 2018</b>	<b>69,616</b>	-	<b>3,243</b>	<b>2,439</b>	<b>75,298</b>
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	105,606	311	6,835	2,471	115,223
Amortisation charge for the year	61,933	1,061	2,895	1,483	67,372
Disposals/Adjustments	-	-	(26)	(21)	(47)
Transferred to AHFS (refer note 44(ii))	-	-	(172)	-	(172)
<b>As at March 31, 2019</b>	<b>237,155</b>	<b>1,372</b>	<b>12,775</b>	<b>6,372</b>	<b>257,674</b>
<b>Net Book Value</b>					
<b>As at March 31, 2019</b>	<b>1,225,141</b>	<b>24,850</b>	<b>6,190</b>	<b>18,586</b>	<b>1,274,767</b>
<b>As at March 31, 2018</b>	<b>538,377</b>	-	<b>1,916</b>	<b>12,016</b>	<b>552,309</b>

**Footnotes:**

- Computer - software includes gross block of assets capitalised under finance lease ₹ 5,507 Mn (March 31, 2018: ₹ 3,795 Mn) and corresponding accumulated amortisation being ₹ 4,394 Mn (March 31, 2018: ₹ 2,363 Mn). Additions in computer - software includes gross block of assets capitalised under finance lease ₹ 677 Mn (March 31, 2018: ₹ 863 Mn) and corresponding accumulated amortization being ₹ 181 Mn (March 31, 2018: ₹ 167 Mn).
- Interest amounting to ₹ 2,548 Mn (March 31, 2018: ₹ 3,244 Mn) has been capitalised during the year.
- Entry / license fee and spectrum gross block ₹ 46,283 Mn and Net block ₹ 38,261 Mn range from 2.5 year to 8.4 year and Entry / license fee and spectrum gross block ₹ 1,416,013 Mn and Net block ₹ 1,186,880 Mn range from 11 year to 19.1 year (March 31, 2018 : gross block ₹ 2,236 Mn and Net block ₹ 1,489 Mn range from 3.5 year to 9.5 year and Entry / license fee and spectrum gross block ₹ 605,757 Mn and Net block ₹ 536,888 Mn range from 12 year to 18.5 year).
- Refer note 25(a) for computer software pledged as securities towards funded and non-funded facilities.
- Brand Includes ₹ 25,945 Mn paid by VMSL and VInL for using Vodafone brand in accordance of the terms of agreement for the period of 15 years.
- Intangible Assets under development as at March 31, 2019 is ₹ 27,443 Mn (March 31, 2018: ₹ 29,340 Mn). Addition pursuant to amalgamation of VMSL and VInL with the Company (refer note 3) of ₹ 100,941 Mn (including interest of ₹ 8,321 Mn), amount added during the year ₹ 5,334 Mn (including interest of ₹ 2,548 Mn), and amount capitalized during the year of ₹ 108,172 Mn (including interest of ₹ 10,249 Mn). As of March 31, 2019 intangible assets under development include interest amounting to ₹ 3,695 Mn (March 31, 2018: ₹ 3,075 Mn).

## Notes forming part of the Consolidated Financial Statements

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
<b>Investment (Unquoted)</b>		
<b>Investments in Equity Instruments of Associate</b>		
Aditya Birla Idea Payments Bank Limited (ABIPBL)		
278,793,750 (March 31, 2018: 221,634,545) fully paid equity shares of ₹ 10 each (refer note 44 (v))	<b>2,788</b>	2,217
Add: Group's share of loss of ABIPBL	<b>(1,069)</b>	(328)
<b>Total investment in associate (A)</b>	<b>1,719</b>	1,889
<b>Investments in Equity Instruments of Joint Ventures</b>		
(i) Indus Towers Limited ('Indus') <sup>(1)</sup>		
132,868 (March 31, 2018: 132,868) fully paid equity shares of ₹ 1 each (refer note 44 (iv))	<b>-*</b>	-*
Add: Group's share of Profit/ Reserves of Indus	<b>13,562</b>	14,712
<b>Total</b>	<b>13,562</b>	14,712
(ii) Firefly Networks Limited ('FNL') <sup>(2)</sup>		
1,000,000 fully paid equity shares of ₹ 10 each	<b>10</b>	-
Add: Group's share of profit of FNL	<b>7</b>	-
<b>Total</b>	<b>17</b>	-
<b>Total investment in joint ventures (B)</b>	<b>13,579</b>	14,712
<b>Total (A + B)</b>	<b>15,298</b>	16,601

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

<sup>(1)</sup> As at March 31, 2019, the Company has pledged 43,376 equity shares of Indus held by the Company as security against the short term loan of ₹ 30,318 Mn. Such pledge is executed by the Company as first ranking exclusive charge in favour of Security trustee for the benefit of the lender and its successor. Subsequent to the balance sheet date, such pledge has been released following the repayment of the short term loan on May 8, 2019.

<sup>(2)</sup> Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3).

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>12 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Deposits with body corporate and others (including amount referred to in note 59)		
– Considered Good	<b>7,390</b>	3,753
– Considered Doubtful	<b>233</b>	-
Deposits and balances with government authorities	<b>1,660</b>	427
Derivative assets at fair value through profit or loss	<b>80</b>	-
Margin money deposits	<b>8</b>	-
Other receivable from joint venture (Indus) (refer note 59)	<b>1,224</b>	-
	<b>10,595</b>	4,180
Allowance for doubtful advances (refer note 51)	<b>(233)</b>	-
<b>Total</b>	<b>10,362</b>	4,180

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars		As at March 31, 2019	As at March 31, 2018
<b>13</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	Capital advances		
	– Considered Good	307	460
	– Considered Doubtful	4	-
	Prepaid expenses	2,061	1,038
	Advance income tax (Net)	94,044	9,040
	Others (consisting mainly deposit against demands which are appealed against/ subjudice)		
	– Considered Good	58,687	7,259
	– Considered Doubtful	1,497	409
		<b>156,600</b>	18,206
	Allowance for doubtful advances (refer note 51)	<b>(1,501)</b>	(409)
	<b>Total</b>	<b>155,099</b>	17,797
<b>14</b>	<b>INVENTORIES</b>		
	Sim and recharge vouchers	-	339
	Trading Goods	42	28
	<b>Total</b>	<b>42</b>	367
<b>15</b>	<b>CURRENT INVESTMENTS</b>		
	Investment in units of liquid mutual funds (quoted) (refer note 49)	67,088	56,304
	<b>Total</b>	<b>67,088</b>	56,304
<b>16</b>	<b>TRADE RECEIVABLES (UNSECURED, UNLESS OTHERWISE STATED) (refer note 59)</b>		
	<b>Billed Receivables</b>		
	Unsecured - Considered Good	24,736	5,512
	Unsecured - Considered Doubtful	15,032	7,356
		<b>39,768</b>	12,868
	Allowance for doubtful debts (refer note 51)	<b>(15,032)</b>	(7,356)
		<b>24,736</b>	5,512
	<b>Unbilled Receivables</b>	<b>8,264</b>	3,362
	<b>Total</b>	<b>33,000</b>	8,874
	Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 682 Mn (March 31, 2018: ₹ 201 Mn)		
<b>17</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash on hand	82	10
	Cheques on hand	461	28
	Balances with banks		
	– In current accounts	6,459	155
	– In deposit accounts (having maturity less than 3 months)	1,426	-
	<b>Total</b>	<b>8,428</b>	193
<b>18</b>	<b>BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>		
	Margin money deposits	1,183	94
	Earmarked bank balance towards dividend	4	4
	Earmarked balances <sup>(1)</sup>	293	-
	<b>Total</b>	<b>1,480</b>	98
	<sup>(1)</sup> Contirbution received by Vodafone Foundation towards CSR activities.		

## Notes forming part of the Consolidated Financial Statements

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>19 LOANS TO JOINT VENTURE AND OTHERS</b>		
Loan to related parties (refer note 59)		
– Loan to Joint Venture <sup>(1)</sup>	8	-
Current portion of loans to employees	11	20
<b>Total</b>	<b>19</b>	<b>20</b>
<sup>(1)</sup> Loans have been provided for general corporate purpose and interest rate ranges from 9.4% to 9.8% p.a. Maximum loan outstanding during the year ₹ 8 Mn.		
<b>20 OTHER CURRENT FINANCIAL ASSETS</b>		
Interest Receivable	21	1
Deposits with body corporate and others	105	217
Derivative assets at fair value through profit or loss	167	28
Other receivables (including amount referred to in Note 59)		
– Considered Good	387	68
– Considered Doubtful	2	2
	<b>682</b>	<b>316</b>
Allowance for doubtful advances (refer note 51)	(2)	(2)
<b>Total</b>	<b>680</b>	<b>314</b>
<b>21 OTHER CURRENT ASSETS</b>		
GST recoverable	67,413	16,205
Prepaid expenses	2,818	1,047
Others		
– Considered Good	1,029	663
– Considered Doubtful	144	25
	<b>71,404</b>	<b>17,940</b>
Allowance for doubtful advances (refer note 51)	(144)	(25)
<b>Total</b>	<b>71,260</b>	<b>17,915</b>
<b>22(a) ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Assets of VMPL (refer note 44(ii)) <sup>(1)</sup>	1,815	-
Assets of ICISL (refer note 44(i))	-	10,509
<b>Total</b>	<b>1,815</b>	<b>10,509</b>
<sup>(1)</sup> Includes Other bank balance of ₹ 232 Mn maintained in escrow account which represents cash received from participating merchant establishments and customers in accordance with the Reserve Bank of India guidelines. The balance can only be used for the purpose of making payment to participating merchants and other permitted payments.		
<b>22(b) LIABILITIES CLASSIFIED AS HELD FOR SALE</b>		
Liabilities of VMPL (refer note 44(ii)) <sup>(1)</sup>	867	-
Liabilities of ICISL (refer note 44(i))	-	1,972
<b>Total</b>	<b>867</b>	<b>1,972</b>

<sup>(1)</sup> Including monies received from customers ₹ 208 Mn.

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	As at March 31, 2019		As at March 31, 2018	
	Numbers	Amount	Numbers	Amount
<b>23 EQUITY SHARE CAPITAL</b>				
Authorised share capital <sup>(1)</sup>				
Equity Shares of ₹ 10 each	28,793,002,000	287,930	6,775,000,000	67,750
Redeemable cumulative non-convertible Preference shares of ₹10 Mn each	1,500	15,000	1,500	15,000
	28,793,003,500	302,930	6,775,001,500	82,750
<b>Issued, subscribed and paid-up share capital</b>				
Equity Shares of ₹ 10 each fully paid up	8,735,558,329	87,356	4,359,320,930	43,593
	8,735,558,329	87,356	4,359,320,930	43,593

<sup>(1)</sup> Pursuant to amalgamation of VMSL and VInL with the Company, authorised share capital ₹ 170,180 Mn of Transferor Company 1 (Vodafone Mobile Services Limited) and ₹ 50,000 Mn of Transferor Company 2 (Vodafone India Limited) stand transferred as authorised share capital of the Company (refer note 3).

**(a) Reconciliation of number of shares outstanding**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	4,359,320,930	43,593	3,605,328,231	36,053
Issue of share under ESOS	1,037,935	11	3,117,110	31
Preferential allotment of equity shares (refer note 44(vii))	-	-	326,633,165	3,266
Allotment of equity shares under Qualified Institutional placement (QIP) (refer note 44(vii))	-	-	424,242,424	4,243
Issue of equity shares pursuant to amalgamation of VMSL and VInL with the Company (refer note 3) <sup>(1)</sup>	4,375,199,464	43,752	-	-
Equity shares outstanding at the end of the year	8,735,558,329	87,356	4,359,320,930	43,593

<sup>(1)</sup> These shares are allotted as fully paid up pursuant to amalgamation of VMSL and VInL with the Company without payment being received in cash.

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

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

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

₹ Mn

Name of the shareholders	As at March 31, 2019		As at March 31, 2018	
	Numbers	% holding in the class	Numbers	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b>				
Grasim Industries Limited	1,008,540,115	11.55%	1,008,540,115	23.14%
Euro Pacific Securities Limited	792,754,922	9.08%	-	-
Prime Metals Limited	664,399,929	7.61%	-	-
Mobilvest	509,502,318	5.83%	-	-
Vodafone Telecommunications (India) Limited	493,851,584	5.65%	-	-
Trans Crystal Limited	444,187,567	5.08%	-	-
Axiata Investments 1 (India) Limited	464,734,670	5.32%	464,734,670	10.66%
Birla TMT Holdings Private Limited <sup>(1)</sup>	-	-	283,798,538	6.51%
Hindalco Industries Limited <sup>(1)</sup>	-	-	228,340,226	5.24%
Axiata Investments 2 (India) Limited <sup>(1)</sup>	-	-	247,265,873	5.67%

<sup>(1)</sup> The percentage of shareholding as at March 31, 2019 is less than 5% and hence not included above.

**(d) Shares reserved for Issued under options**

For details of shares reserved for issue under the employee stock option scheme. (refer note 54)

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	As at March 31, 2019	As at March 31, 2018	
<b>24 OTHER EQUITY</b>			
<b>(i) Capital reserve<sup>(1)</sup></b>			
Opening balance	-	-	
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	165	-	
Indemnity liability refer note 3(C)	(85,015)	-	
Pursuant to merger of ABTL with the Company (refer note 44(vi))	(3,474)	-	
<b>Closing balance (A)</b>	<b>(88,324)</b>	-	
<b>(ii) Capital reduction reserve<sup>(2)</sup></b>			
Opening balance	-	-	
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	277,787	-	
<b>Closing balance (B)</b>	<b>277,787</b>	-	
<b>(iii) Debenture redemption reserve<sup>(3)</sup></b>			
Opening balance	4,408	1,317	
Transferred from retained earnings	-	3,091	
<b>Closing balance (C)</b>	<b>4,408</b>	4,408	
<b>(iv) Securities premium</b>			
Opening balance	193,354	133,369	
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	842,139	-	
Premium on issue of shares under ESOS	1	29	
Transfer from Outstanding employee stock options reserve on exercise of options	121	310	
Stamp duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 3)	(83)	-	
Premium on Preferential allotment of shares (Net of share issue expenses of ₹ 35 Mn) (refer note 44(vii))	-	29,198	
Premium on allotment of shares under QIP (Net of share issue expenses of ₹ 309 Mn) (refer note 44(vii))	-	30,448	
<b>Closing balance (D)</b>	<b>1,035,532</b>	193,354	
<b>(v) Amalgamation adjustment deficit account<sup>(4)</sup></b>			
Opening balance	-	-	
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	(488,408)	-	
<b>Closing balance (E)</b>	<b>(488,408)</b>	-	
<b>(vi) General Reserve</b>			
Opening balance	169	169	
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3) <sup>(5)</sup>	1,393	-	
<b>Closing balance (F)</b>	<b>1,562</b>	169	
<b>(vii) Retained Earnings</b>			
Opening balance	30,299	75,073	
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	(122,024)	-	
Pursuant to merger of ABTL with the Company (refer note 44(vi))	3,449	-	
Loss for the year	(146,039)	(41,682)	
Other Comprehensive Income recognised directly in retained earnings	328	283	
Transfer to Debenture redemption reserve	-	(3,091)	
Group's share of additional depreciation on fair value assets/ physical verification adjustments pursuant to scheme	(247)	(284)	
<b>Closing balance (G)</b>	<b>(234,234)</b>	30,299	



## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(viii) Employee stock options reserve</b>		
Opening balance	802	1,341
Share-based payments expenses (refer note 54)	(12)	(229)
Transfer to Securities premium account on exercise of options	(121)	(310)
<b>Closing balance (H)</b>	<b>669</b>	<b>802</b>
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>508,992</b>	<b>229,032</b>

<sup>(1)</sup> Capital reserve comprises of capital receipt, received as compensation from an erstwhile Joint Venture partner for failure to subscribe in the equity shares of VInL in earlier years, indemnity liability (refer note 3(C)) and amount pursuant to merger of ABTL with the Company (refer note 44(vi)).

<sup>(2)</sup> Capital reduction reserve was created by VInL on distribution of share of VInL in Indus to share holders of VInL in accordance with capital reduction scheme. This reserve is not available for distribution as dividend.

<sup>(3)</sup> The Company was creating Debenture Redemption Reserve (DRR) till March 31, 2018 in accordance with the Companies Act, 2013. However, the reserve available for payment of dividend has turned to a negative value pursuant to amalgamation of VMSL and VInL into the Company. The Company has incurred losses during the current 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, 2019.

<sup>(4)</sup> The Company has accounted for the merger of VInL and VMSL with the Company under 'pooling of interest' method. Consequently, investment of VInL in VMSL, share capital of VInL and VMSL has been cancelled. The difference between the face value of shares issued by the Company and the value of shares and investment so cancelled has been recognized in Amalgamation Adjustment Deficit Account. From utilisation perspective, this is an unrestricted reserve.

<sup>(5)</sup> Not available for distribution as dividend.

₹ Mn

Particulars	As at March 31, 2019	As at March 31, 2018
<b>25 LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>Redeemable Non-Convertible Debentures (NCDs)</b>	<b>50</b>	<b>4,009</b>
<b>Term Loans</b>		
<b>Rupee loan</b>		
– From banks	57,424	89,885
<b>Vehicle loan from banks</b>	<b>5</b>	<b>53</b>
<b>Total Secured loans</b>	<b>57,479</b>	<b>93,947</b>
<b>Unsecured Loans</b>		
<b>Redeemable Non-Convertible Debentures (NCDs)</b>	<b>103,527</b>	<b>59,855</b>
<b>Term Loans</b>		
<b>Foreign currency loan</b>		
– From banks	2,914	4,267
– From Others	-	22,425
<b>Rupee loan</b>		
– From Others	3,206	-
<b>Total Unsecured Loans</b>	<b>109,647</b>	<b>86,547</b>
<b>Subtotal (A)</b>	<b>167,126</b>	<b>180,494</b>
<b>Deferred Payment Liabilities towards Spectrum (unsecured) (B)</b>	<b>876,481</b>	<b>388,914</b>
<b>Deferred Payment Others (unsecured) (C)</b>	<b>422</b>	<b>-</b>
<b>Total (A + B + C)</b>	<b>1,044,029</b>	<b>569,408</b>

## Notes forming part of the Consolidated Financial Statements

### (a) (i) Security clause

Type of Borrowing	Outstanding Secured Loan Amount <sup>(1)</sup>		Security Offered <sup>(2)</sup>
	As at March 31, 2019	As at March 31, 2018	
9.45% Redeemable Non Convertible Debentures	3,960	3,960	Pari passu charge only on the tangible fixed assets excluding passive telecom infrastructure.
8.12% Redeemable Non Convertible Debentures	50	50	First pari passu charge on movable fixed assets of the company excluding:
Rupee Loan <sup>(3)</sup>	9,950	9,950	a) Spectrum and Telecom licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive telecom infrastructure.
Rupee Loan <sup>(3)</sup>	80,000	80,000	First charge on all the movable and immovable properties (including intangible assets) of the Company excluding: a) Spectrum and Telecom Licenses b) Vehicles upto ₹ 2,500 Mn and c) Passive Telecom Infrastructure
Vehicle Loans	44	159	Hypothecation of Vehicles against which the loans have been taken.
<b>Subtotal</b>	<b>94,004</b>	94,119	
Unamortised upfront fees	(34)	(66)	
<b>Total</b>	<b>93,970</b>	94,053	

<sup>(1)</sup> Amounts represent Long term borrowings including current maturities of ₹ 36,491 Mn (March 31, 2018 ₹ 106 Mn).

<sup>(2)</sup> Security offered does not cover properties/ assets acquired pursuant to amalgamation of VMSL and VInL with the Company.

<sup>(3)</sup> Term loans are also secured by way of first charge/ assignment ranking pari-passu interse the lenders as above.

**(ii)** The Company has also provided charge against certain assets of the Company 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:

- First Pari Passu charge on present and future moveable and current assets of the Company amounting to ₹ 20,000 Mn (March 31, 2018: Nil) and outstanding facility against such securities is ₹ 20,000 Mn (March 31, 2018: Nil)<sup>(1)</sup>.
- Second pari passu charge on present and future moveable and current assets of the Company amounting to ₹ 111,750 Mn (March 31, 2018: ₹ 32,500 Mn) and outstanding facility against such securities is ₹ 94,095 Mn (March 31, 2018: ₹ 32,500 Mn)<sup>(1)</sup>.
- Second pari passu charge on present and future moveable assets of the Company amounting to ₹ 402 Mn (March 31, 2018: ₹ 19,750 Mn) and outstanding facility against such securities is ₹ 402 Mn (March 31, 2018: ₹ 19,750 Mn)<sup>(1)</sup>.

<sup>(1)</sup> Security offered does not cover properties/ assets acquired pursuant to amalgamation of VMSL and VInL with the Company.

### (b) Repayment terms of Long term borrowings as on March 31, 2019

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>				
a) Rupee Loan <sup>(1)</sup>	2,500	47,500	50,000	a) 8 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2019 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
b) Rupee Loan	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan <sup>(1)</sup>	30,000	-	30,000	Repayable in 20 equal quarterly installments starting September, 2021
d) 9.45% Redeemable Non Convertible Debentures	3,960	-	3,960	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹ 10 each, aggregating to ₹ 6,040 Mn. with an option to re-issue the same in future)
e) 8.12% Redeemable Non Convertible Debentures	-	50	50	Repayable in February, 2024 (Out of the 10,000 NCDs issued in FY 2017, the Company has re-purchased 9,950 NCDs of ₹ 1 each, aggregating to ₹ 9,950 Mn with an option to re-issue the same in future)
f) Vehicle Loans	39	5	44	Equal monthly installments over the term of the loan ranging from 2 to 5 years
<b>Sub-Total</b>	<b>36,499</b>	<b>57,505</b>	<b>94,004</b>	
Unamortised upfront fees	(8)	(26)	(34)	
<b>Sub-Total (A)</b>	<b>36,491</b>	<b>57,479</b>	<b>93,970</b>	
<b>(ii) Unsecured Loans</b>				
a) Foreign currency Loan <sup>(1)</sup>	1,271	329	1,600	a) 1 quarterly installment of USD 4.125 million (₹ 285 Mn) payable in April, 2019. b) 4 equal quarterly installments of USD 4.75 Mn (₹ 329 Mn) starting July, 2019.
b) Foreign currency Loan <sup>(1)</sup>	655	2,294	2,949	9 equal half yearly installments starting April, 2019
c) Foreign currency Loan <sup>(1)</sup>	1,640	-	1,640	5 equal half yearly installments starting May, 2019
d) Foreign currency Loan <sup>(1)</sup>	1,090	-	1,090	5 equal half yearly installments starting May, 2019
e) Foreign currency Loan <sup>(1)</sup>	21,164	-	21,164	3 equal annual installments starting June, 2020
f) Foreign Currency Loan	494	-	494	2 equal half yearly installments starting September, 2019.
g) Foreign Currency Loan	-	247	247	Repayable in September 2020
h) Foreign Currency Loan	-	50	50	Repayable in March 2021
i) Rupee Term Loan <sup>(1)</sup>	40,000	-	40,000	4 equal quarterly installments starting September, 2022
j) Rupee Term Loan	1,048	2,413	3,461	Repayable in Half yearly installments starting from April 2019 to December 2023.
k) Rupee Term Loan	3,628	792	4,420	Repayable in Quarterly installments starting from April 2019 to July 2020.
l) Rupee Term Loan <sup>(1)</sup>	10,000	-	10,000	Repayable in 4 equal quarterly installments starting October 2022
m) 7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
n) 7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
o) 8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
p) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
q) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022
r) 10.90% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
s) 8.15% Redeemable Non Convertible Debentures	25,000	-	25,000	Repayable in July, 2019
t) 8.25% Redeemable Non Convertible Debentures	-	28,750	28,750	Repayable in July, 2020 (Out of the 35,000 NCDs issued in FY 2015-16, the Company has re-purchased 6,250 NCDs of ₹ 1 Mn each, aggregating to ₹ 6,250 Mn with an option to re-issue the same in future).
<b>Sub-Total</b>	<b>105,990</b>	<b>109,875</b>	<b>215,865</b>	
Unamortised upfront fees	(9)	(228)	(237)	
<b>Sub-Total (B)</b>	<b>105,981</b>	<b>109,647</b>	<b>215,628</b>	
<b>(iii) Deferred Payment Liability (DPL) towards spectrum acquired in</b>				
a) November - 2012 auctions	538	10,791	11,329	12 equal annual installments starting December, 2019
b) February - 2014 auctions	8,887	210,042	218,929	a) ₹ 216,139 Mn and Interest thereon will be repaid in 13 equal annual installments starting March, 2020 b) ₹ 2,790 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019
c) March - 2015 auctions	15,067	463,905	478,972	a) ₹ 477,445 Mn and Interest thereon will be repaid in 15 equal annual installments starting April, 2019 b) ₹ 1,527 Mn and Interest thereon will be repaid in 16 equal annual installments starting September, 2019
d) October - 2016 auctions	5,836	191,743	197,579	16 equal annual installments starting October, 2019
<b>Sub-Total (C)</b>	<b>30,328</b>	<b>876,481</b>	<b>906,809</b>	
<b>(iv) Deferred Payment Others (D)</b>	<b>1,363</b>	<b>422</b>	<b>1,785</b>	Repayable in quarterly/yearly installment from June, 2019 to June, 2021
<b>Grand Total (A + B + C + D)</b>	<b>174,163</b>	<b>1,044,029</b>	<b>1,218,192</b>	

<sup>(1)</sup> Some of the Company's loans are subjected to covenant clauses, whereby the Company is required to meet certain specified financial ratios. The Company has not met certain financial ratios for some of these arrangements, the outstanding amount for which as at March 31, 2019 was ₹ 158,398 Mn. Waivers for loans of ₹ 55,596 Mn has been received as of reporting date and the balance ₹ 102,802 Mn has been re-classified from non-current borrowings to current maturities of long term debt. The unamortised arrangement fees on such borrowings of ₹ 743 Mn has been charged in statement of profit and loss. As on the reporting date, none of the banks have approached for early repayment and the Company is confident that this will not result in any acceleration of repayment.

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
<b>(c) Repayment terms of Long term borrowings as on March 31, 2018</b>				
<b>(i) Secured Loans</b>				
a) Rupee Loan	-	50,000	50,000	a) 8 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2019 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026
b) Rupee Loan	-	9,950	9,950	Repayable in February, 2024
c) Rupee Loan	-	30,000	30,000	Repayable in 20 equal quarterly installments starting September, 2021
d) 9.45% Redeemable Non Convertible Debentures	-	3,960	3,960	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹ 10 each, aggregating to ₹ 6,040 Mn. with an option to re-issue the same in future)
e) 8.12% Redeemable Non Convertible Debentures	-	50	50	Repayable in February, 2024 (Out of the 10,000 NCDs issued in FY 2017, the Company has re-purchased 9,950 NCDs of ₹ 1 each, aggregating to ₹ 9,950 Mn with an option to re-issue the same in future)
f) Vehicle Loans	106	53	159	Equal monthly installments over the term of the loan ranging from 2 to 5 years
<b>Subtotal</b>	<b>106</b>	<b>94,013</b>	<b>94,119</b>	
Unamortised upfront fees	-	(66)	(66)	
<b>Total</b>	<b>106</b>	<b>93,947</b>	<b>94,053</b>	
<b>(ii) Unsecured Loans</b>				
a) Foreign currency Loan	1,073	1,504	2,577	a) 5 equal quarterly installments of USD 4.125 Mn (₹ 268 Mn) starting from April, 2018. b) 4 equal quarterly installments of USD 4.75 Mn (₹ 309 Mn) starting from July, 2019.
b) Foreign currency Loan	616	2,773	3,389	11 equal half yearly installments starting April, 2018
c) Foreign currency Loan	1,027	2,568	3,595	7 equal half yearly installments starting May, 2018
d) Foreign currency Loan	-	19,901	19,901	3 equal annual installments starting June, 2020
e) Foreign currency Loan	4,683	-	4,683	Repayable in June, 2018
f) 7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
g) 7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
h) 8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total	Repayment Terms for the Balance Amount
i) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
j) 8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022
<b>Sub-Total</b>	<b>7,399</b>	<b>86,746</b>	<b>94,145</b>	
Unamortised upfront fees	(12)	(199)	(211)	
<b>Sub-Total (B)</b>	<b>7,387</b>	<b>86,547</b>	<b>93,934</b>	
<b>(iii) Deferred Payment Liability (DPL) towards spectrum acquired in</b>				
a) November - 2012 auctions	-	10,322	10,322	12 equal annual installments starting December, 2019
b) February - 2014 auctions	2,734	76,289	79,023	a) ₹ 76,487 Mn and interest thereon will be repaid in 14 equal annual installments starting March, 2019. b) ₹ 2,536 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019.
c) March - 2015 auctions	-	232,362	232,362	a) ₹ 230,974 Mn and interest thereon will be repaid in 15 equal annual installments starting April, 2019. b) ₹ 1,388 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019.
d) October - 2016 auctions	-	69,941	69,941	16 equal annual installments starting October, 2019
<b>Sub-Total (C)</b>	<b>2,734</b>	<b>388,914</b>	<b>391,648</b>	
<b>Grand Total (A + B + C)</b>	<b>10,227</b>	<b>569,408</b>	<b>579,635</b>	

(c) Interest rate for Rupee Term Loan ranges from 4.0% to 10.9%, Foreign currency Loan ranges from 2.63% to 5.48% and Deferred Payment Liability towards spectrum ranges from 9.30% to 10%.

(d) During the year ended March 31, 2019, the Group has re-financed Loans worth ₹ Nil (March 31, 2018: ₹ 23,734 Mn).

₹ Mn

Particulars	As at March 31, 2019	As at March 31, 2018
<b>26 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
Security deposits	23	23
Payables for capital expenditure	13,431	-
Interest accrued but not due on deferred payment liability	4	26,039
Indemnity liability (Refer Note 3(C))	83,923	-
<b>Total</b>	<b>97,381</b>	26,062
<b>27 LONG TERM PROVISIONS</b>		
Gratuity (refer note 55)	2,339	1,522
Compensated absences	1,002	1,507
Asset retirement obligation (refer note 52)	126	78
<b>Total</b>	<b>3,467</b>	3,107

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	As at March 31, 2019	As at March 31, 2018	
<b>28 OTHER NON-CURRENT LIABILITIES</b>			
Deferred Revenue	4,100	4,920	
Others	135	682	
<b>Total</b>	<b>4,235</b>	<b>5,602</b>	
<b>29 SHORT TERM BORROWINGS</b>			
<b>Secured Loans</b>			
Bank overdraft <sup>(1)</sup>	304	1	
Short term loan from bank <sup>(2)</sup>	30,318	-	
<b>Unsecured Loans</b>			
Bank overdraft	566	216	
Short term loan from banks	5,800	-	
Buyer credits	2,720	-	
Short term loans from others	1,499	-	
<b>Total</b>	<b>41,207</b>	<b>217</b>	
<p><sup>(1)</sup> Secured by way of pari passu second charge on movable and immovable assets of the Company and does not cover properties/assets acquired pursuant to amalgamation of VMSL and VInL with the Company.</p> <p><sup>(2)</sup> As at March 31, 2019, the Company has pledged of 43,376 equity shares of Indus held by the Company as security (refer note 11).</p>			
<b>30 OTHER CURRENT FINANCIAL LIABILITIES</b>			
Current maturities of long term debt (refer note 25(a) and 25(b))	174,163	10,226	
Payable for capital expenditure	59,755	29,523	
Interest accrued but not due on borrowings	64,139	1,769	
Unpaid dividend	4	4	
Derivative liabilities at fair value through profit or loss	819	112	
Security deposits from customers and others	5,066	2,186	
<b>Total</b>	<b>303,946</b>	<b>43,820</b>	
<b>31 OTHER CURRENT LIABILITIES</b>			
Advance from customers and deferred revenue	26,232	14,080	
Taxes, regulatory and statutory liabilities (includes provision with respect to subjudice matter related to licensing dispute)	43,234	12,453	
Others	33	64	
<b>Total</b>	<b>69,499</b>	<b>26,597</b>	
<b>32 SHORT TERM PROVISIONS</b>			
Gratuity (refer note 55)	163	-	
Compensated absences	199	208	
Asset retirement obligation (refer note 52)	17	16	
<b>Total</b>	<b>379</b>	<b>224</b>	

## Notes forming part of the Consolidated Financial Statements

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>33 OTHER OPERATING INCOME</b>		
Liabilities no longer required written back	652	223
Miscellaneous receipts	217	95
<b>Total</b>	<b>869</b>	<b>318</b>
<b>34 OTHER INCOME</b>		
Interest income	218	2,078
Gain on Mutual Funds (including fair value gain)	7,053	1,452
Others	40	-
<b>Total</b>	<b>7,311</b>	<b>3,530</b>
<b>35 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	19,942	13,811
Contribution to provident and other funds (refer note 55)	1,501	1,144
Share based payment expenses (ESOS) (refer note 54) <sup>(1) &amp; (2)</sup>	246	(229)
Staff welfare	1,056	605
Recruitment and training	199	99
<b>Total</b>	<b>22,944</b>	<b>15,430</b>
<sup>(1)</sup> includes expenses on account of cash settled ESOP ₹ 258 Mn (March 31, 2018: ₹ Nil).		
<sup>(2)</sup> The charge for the year is net of reversal on account of cancellation of unvested options ₹ 12 Mn (March 31, 2018: ₹ 229 Mn).		
<b>36 NETWORK EXPENSES AND IT OUTSOURCING COST</b>		
Security service charges	640	1,109
Power and fuel	56,943	30,597
Repairs and maintenance - plant and machinery	21,541	10,450
Switching and cellsites rent	1,582	1,881
Lease line and connectivity charges	4,085	1,218
Network insurance	261	159
Passive infrastructure charges	73,865	45,484
Other network operating expenses	2,350	1,257
IT outsourcing cost	8,785	5,179
<b>Total</b>	<b>170,052</b>	<b>97,334</b>
<b>37 LICENSE FEES AND SPECTRUM USAGE CHARGES</b>		
License fees	26,541	19,769
Spectrum usage charges	12,790	8,898
<b>Total</b>	<b>39,331</b>	<b>28,667</b>
<b>38 ROAMING AND ACCESS CHARGES</b>		
Roaming charges	4,220	3,794
Access charges	37,470	31,564
<b>Total</b>	<b>41,690</b>	<b>35,358</b>
<b>39 SUBSCRIBER ACQUISITION AND SERVICING EXPENDITURE</b>		
Cost of sim and recharge vouchers	1,335	1,357
Commission to dealers and others	18,851	18,428
Customer verification expenses	580	1,337
Collection, telecalling and servicing expenses	6,261	5,157
Customer retention and customer loyalty expenses	980	1,663
<b>Total</b>	<b>28,007</b>	<b>27,942</b>



## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	
<b>40</b>	<b>ADVERTISEMENT, BUSINESS PROMOTION EXPENDITURE AND CONTENT COST</b>		
	Advertisement & Business promotion expenditure	4,969	4,024
	Content cost	5,470	4,124
	<b>Total</b>	<b>10,439</b>	<b>8,148</b>
<b>41</b>	<b>OTHER EXPENSES</b>		
	Repairs and maintenance		
	Building	148	154
	Others	1,967	920
	Other insurance	52	37
	Non network rent	2,803	1,653
	Rates and taxes	391	70
	Electricity	1,115	543
	Printing and stationery	87	77
	Communication expenses	175	128
	Travelling and conveyance	1,179	950
	Bad debts/ advances written off	28	59
	Allowances for doubtful debts and advances (refer note 51)	2,301	1,630
	Gain on disposal of property, plant and equipment (net)	(91)	(274)
	Bank charges	824	344
	Directors Sitting Fees (refer note 59)	6	4
	Legal and professional charges	1,104	1,132
	Audit fees	100	38
	CSR expenditure	39	204
	Support service charges (refer note 59)	3,158	-
	Miscellaneous expenses	2,386	1,693
	<b>Total</b>	<b>17,772</b>	<b>9,362</b>
<b>42</b>	<b>FINANCE COSTS</b>		
	Interest		
	– On fixed period loan (Net of ₹ 612 Mn capitalised, March 31, 2018: ₹ 1,408 Mn)	23,209	11,770
	– On deferred payment liability towards spectrum (Net of ₹ 1,936 Mn capitalised, March 31, 2018: ₹ 1,836 Mn)	67,335	35,823
	– Others	473	595
	Other finance charges	370	121
	<b>Total interest expense</b>	<b>91,387</b>	<b>48,309</b>
	Exchange difference (net) (Net of ₹ 397 Mn capitalised, March 31, 2018: ₹ (192) Mn (decapitalised))	230	878
	Loss/(gain) on derivatives (including fair value changes on derivatives)	3,011	(41)
	Change in investment value on merger of IMCSL with ABIPBL	-	(1,016)
	<b>Total</b>	<b>94,628</b>	<b>48,130</b>
<b>43</b>	<b>EXCEPTIONAL ITEMS (NET)</b>		
	Income from sale of ICISL (refer note 44(i))	33,473	-
	Integration and merger related costs		
	– Site exit cost (refer note 44(viii))	(20,170)	-
	– Accelerated depreciation on account of network re-alignment	(5,511)	-
	– Others	(6,437)	-
	Re-assessment of certain estimates and accrual	7,893	-
	Others	(727)	-
	<b>Total</b>	<b>8,521</b>	<b>-</b>
	Deferred tax impact on above	(4,727)	-

## Notes forming part of the Consolidated Financial Statements

### 44 SIGNIFICANT TRANSACTIONS / NEW DEVELOPMENTS

- i) On November 13, 2017, the Company entered into a Share Purchase Agreement with ATC Telecom Infrastructure Private Limited (ATC) for sale of its entire shareholding in Idea Cellular Infrastructure Services Limited (ICISL), a wholly owned subsidiary to ATC subject to regulatory approvals. Hence, effective November 13, 2017, in line with the requirements of Ind AS 105 – “Non-current Assets held for sale and Discontinued operations”: total assets and total liability have been reclassified as Assets and liabilities held for sale. The transaction was finally consummated on May 31, 2018.

Accordingly, the Group has recognized a gain of ₹ 33,473 Mn (net of expenses of ₹ 9 Mn) being the difference between the consideration and net assets of ICISL included in the consolidated financial statements as of the effective date and disclosed it as an exceptional item in the consolidated financial statements. The related deferred tax charge is ₹ 13,235 Mn.

- ii) The Company has 49% investment in Aditya Birla Idea Payments Bank Limited (ABIPBL), a Payments Bank. Vodafone M-Pesa Limited (VMPL), a 100% subsidiary of erstwhile VInL is into the business of Prepaid Payment Instruments (PPI) and Business Correspondence (BC). With the merger of ICL and erstwhile VInL on August 31, 2018, VIL became a promoter in both the entities. RBI had permitted VMPL to continue with the PPI business till March 31, 2019 with the condition of not onboarding new customers and no increase in the balance of existing customers.

The Group has, however, applied to the RBI for a fresh re-look/extension to continue operations after March 31, 2019 while also evaluating the option of merging the PPI and Business Correspondence (BC) streams with the associate entity/any willing third party (subject to regulatory approvals). Accordingly, the Group classified the assets and liabilities of VMPL as Held for Sale (AHFS).

- iii) On November 14, 2018, the Board of Directors of the Company approved the scheme of arrangement under section 230 to 232 of the Companies Act, 2013 between its wholly owned subsidiary VTL and VIL for transfer of Fibre Infrastructure assets and liabilities of the Company on an ‘as is basis’ to VTL. The scheme was filed with NCLT, Ahmedabad bench on March 29, 2019. The transaction has not been consummated till March 31, 2019.

- iv) Pursuant to agreement entered into by the Company, Bharti Airtel Limited and Vodafone Group for merging Indus Towers Limited (Indus) into Bharti Infratel Limited (BIL) which is subject to requisite regulatory/corporate approvals and certain closing conditions, the Company has an option to either sell its 11.15% stake to BIL before the merger based on a predetermined pricing formula, or receive shares on merger of the enlarged merged entity at an agreed share exchange ratio, as a part of the merger scheme. Till the time the decision on the option is taken, Indus continues to be accounted for as a joint venture of the Group and reflected as a non-current investment.

- v) The Scheme of Amalgamation of Idea Mobile Commerce Services Limited (IMCSL), a wholly owned subsidiary with Aditya Birla Idea Payments Bank limited (ABIPBL), an associate was approved by the Hon’ble Mumbai High Court. The merger was subject to certain regulatory approvals and other conditions which got fulfilled on February 22, 2018. Accordingly, effective this date IMCSL merged with ABIPBL. During the previous year, pursuant to the merger, the Company was allotted 104,869,800 equity shares of ABIPBL in lieu of the shares held in IMCSL. The Company holds 49% stake in ABIPBL.

- vi) On September 20, 2018, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Aditya Birla Telecom Limited (ABTL), a wholly owned subsidiary, with the Company with an appointed date of April 1, 2018. The Company has received the requisite regulatory approvals and the merger became effective on November 30, 2018 on filing the certified copies of the orders sanctioning the scheme with the RoC. This transaction has been accounted as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of ABTL. Such merger has resulted into decrease in Capital Reserve by ₹ 3,474 Mn, decrease in Goodwill on consolidation by ₹ 25 Mn and corresponding increase in Retained Earnings by ₹ 3,449 Mn.

- vii) After the requisite shareholders’ approval, the Company, during the previous year, has issued and allotted 326,633,165 Equity Shares of face value of ₹ 10 to entities forming part of promoter/promoter group on preferential basis at a price of ₹ 99.50 per equity share, including a premium of ₹ 89.50 per equity share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 32,500 Mn.

The Company has also issued and allotted 424,242,424 equity shares of face value of ₹ 10 each to eligible Qualified Institutional Buyers at a price of ₹ 82.50 per equity share, including a premium of ₹ 72.50 per equity share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 35,000 Mn.

- viii) Prior to the merger, ICL and erstwhile Vodafone were having tenancies on the same tower of various infrastructure service providers. Post the merger, these two tenancies on a single tower have been converted to a single tenancy with a higher loading as per the terms of the Master Service Agreement (MSA).

The Company has given notices to the infrastructure providers to exit certain additional sites based on its ongoing network integration plan. The Company has estimated the combined settlement amount for tenancy conversion and additional exits undertaken till March 31, 2019 and accordingly, accrued an amount of ₹ 20,170 Mn towards such exit charges and disclosed as exceptional item in the consolidated statement of profit and loss for the year ended March 31, 2019.

## Notes forming part of the Consolidated Financial Statements

### 45 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 ₹ 31,719 Mn (March 31, 2018: ₹ 13,027 Mn)
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 53,076 Mn (March 31, 2018: ₹ 18,721 Mn)

### 46 CONTINGENT LIABILITIES NOT PROVIDED FOR

#### A) Licensing Disputes:

##### i. One Time Spectrum Charges (Beyond 4.4 MHz):

In financial year 2012-13, DoT had issued demand notices towards one time spectrum charges

- For spectrum beyond 6.2 MHz in respective service areas for retrospective period from July 1, 2008 to December 31, 2012, amounting to ₹ 10,687 Mn (March 31, 2018: ₹ 3,691 Mn), and
- For spectrum beyond 4.4 MHz in respective service areas effective January 1, 2013 till expiry of the period as per respective licenses amounting to ₹ 57,254 Mn (March 31, 2018: ₹ 17,444 Mn).

The Group believes the above demands amount to alteration of financial terms of the licenses issued in the past. The Group had therefore, petitioned the Hon'ble High Court of Bombay/TDSAT, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay/TDSAT has directed the DoT, not to take any coercive action until the matter is further heard.

- During the year when the matter of erstwhile ViNL and erstwhile VMSL merging with the Company was taken up with DoT for approval. DoT while granting the approval demanded that the Company submits a revised bank guarantee towards one-time spectrum fees beyond 4.4 MHz amounting to ₹ 33,224 Mn (March 31, 2018: Nil) as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014. The Company complied with the aforesaid demand and submitted the bank guarantee to DoT under protest. In September 2018, the Company approached TDSAT, seeking return of BG of ₹ 33,224 Mn. On January 21, 2019, the Company has received a favourable order from TDSAT directing DoT to release the bank guarantee of ₹ 21,135 Mn within 2 months. The company has filed letter with DoT to release the bank guarantee. DoT reply is awaited. As at March 31, 2019, the matter is sub judice.

##### ii. One Time Spectrum Charges (Less than 4.4 MHz):

In FY 2015-16 erstwhile VMSL received demands from DoT towards One time spectrum charges for less than 4.4 MHz pursuant to the transfer of licenses of certain subsidiaries amounting to ₹ 33,495 Mn. The Group believes the charges levied by DoT are not tenable, since the merger guidelines are not applicable considering that the said merger did not involve any intra-circle merger and did not result in increase in spectrum holding of the Group. The Demand is challenged and remains sub-judice at TDSAT.

Also, in FY 2015-16, erstwhile VMSL received demand from DoT towards extension of license of Tamil Nadu circle for making it co-terminus with license of Chennai circle amounting to ₹ 5,075 Mn. The Group believes the charges levied by DoT are not tenable, considering the merger of licenses is as per the guidelines issued by DoT in 2005 and as such does not get covered under as per clause 3 (i) and (m) of the M&A guidelines dated February 20, 2014. The Demand is challenged and remains sub-judice at TDSAT.

##### iii. Other Licensing Disputes - ₹ 171,354 Mn (March 31, 2018: ₹ 107,710):

- Above amount for the year ended March 31, 2018 include matters considered remote of ₹ 76,992 Mn.
- Demands due to difference in interpretation of definition of adjusted gross revenue (AGR) and other license fee assessment related matters. Most of these demands are currently before the Hon'ble TDSAT, Hon'ble High Court and Hon'ble Supreme Court.
- The Group has received various demand notes from DoT on account of licensee fees and spectrum usage charges for the period 2007-08 to 2015-16. These demands include amounts raised by DoT based on special audit done by agencies relating to certain contentious matters which are sub-judice and pending at various courts and certain disallowances as a result of submission of factual supporting/ information/ data by the Group. The Group has not disclosed demands raised which it believes are remote as per its assessments and largely relating to submission of factual data / information.
- Disputes relating to alleged non-compliance of licensing conditions & other disputes with DoT, either filed by or against the Company and pending before Hon'ble Supreme Court/TDSAT.

## Notes forming part of the Consolidated Financial Statements

- 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 erstwhile VInL and erstwhile VMSL to provide an undertaking that the pricing and allocation decisions of DoT would be considered final in this respect. Erstwhile VInL and erstwhile VMSL had not provided the said undertaking or signed the agreement being against the express and binding confirmations under NIA and had challenged the DoT guidelines in TDSAT. Recently on March 13, 2019, TDSAT issued judgement stating that microwave guidelines dated October 16, 2015 cannot be applied to the petitioner ('The Company'), however it did not grant any relief on the ongoing issue relating to microwave rates. The Company has approached TDSAT seeking clarification on its recent judgement. As at March 31, 2019 the matter is sub-judice.

### B) Other Matters not acknowledge as debts

₹ Mn

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Income tax matters (see note i below)	14,827	22,836
Sales tax and entertainment tax matters (see note ii below)	1,396	1,180
Service tax/Goods and Service Tax(GST) matters (see note iii below)	15,657	4,298
Entry tax and customs matters (see note iv below)	4,701	404
Other claims (see note v below)	12,780	4,783
Total [A]	49,361	33,501
Demands Considered as Remote [B]	-	19,810
Total [C] = [A-B]	49,361	13,691

#### i. Income Tax Matters ( including Tax deducted at source)

- Appeals filed by the Group against the demands raised by the Income Tax Authorities relates to disputes on non-applicability of tax deductions at source on prepaid margin allowed to prepaid distributors & roaming settlement, disputes relating to denial of tax holiday benefit from certain business receipts etc.

The matters are contested by the Group at various appellate authorities against the tax authorities.

#### ii. Sales Tax and Entertainment Tax

- Sales Tax demands mainly relates to the demands raised by the VAT/Sales Tax authorities of few states on Broadband Connectivity, SIM cards etc. on which the Group has already paid Service Tax.
- Demand of tax for non-submission of Declaration forms viz. C forms & F forms in stipulated time limit.
- In one state entertainment tax is being demanded on revenue from value added services. However, the Group has challenged the constitutional validity of the levy.

#### iii. Service Tax/Goods and Service Tax ( GST)

Service Tax/GST demands mainly relates to the following matters:

- Denial of Cenvat credit related to Towers and Shelters;
- Disallowance of Cenvat Credit on input services viewed as ineligible credit;
- Demand of service tax on SMS termination charges, Demand of service tax on reversal of input credit on various matters including on removal of passive infrastructure;
- Demand of tax on telecommunication services provided to employees;
- Demand of interest on the credit availed but not utilized.

#### iv. Entry Tax and Customs

- Entry Tax disputes pertains to classification/valuation of goods.

## Notes forming part of the Consolidated Financial Statements

- Demand of customs duty/anti-dumping duty on dispute relating to classification issue. The Group has challenged these demands which are pending at various forums.
- v. Other claims not acknowledged as debts  
Mainly include consumer forum cases, disputed matters with local Municipal Corporation, Electricity Board and other miscellaneous sub-judiced disputes.  
The future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions from such forums/authorities. Further, based on the Group's evaluation, it believes that it is not probable that the claims will materialise and therefore, no provision has been recognised for the above.
- C) P5 Asia Holdings Investments (Mauritius) Limited (P5) has a right to sell equity share of Indus Towers Limited (Indus) held by P5 to the Company at its fair value in the event of non-meeting certain conditions. Such right is suspended pursuant to the proposed merger of Indus with BIL effective from April 25, 2018 until the date of merger.

### 47 OPERATING LEASE

#### (a) Group as lessee

The Group has entered into non-cancellable operating leases for offices, switches and cell sites for periods ranging from 36 months to 240 months.

Lease payments amounting to ₹ 78,405 Mn (March 31, 2018: ₹ 48,844 Mn) are included in passive infrastructure charges, non-network rent and switching and cellsite rent in the Consolidated Statement of Profit and Loss. Terms of the lease include operating term for renewal, increase in rent in future periods and terms for cancellation, where applicable.

Future minimum lease rentals payable under non-cancellable operating leases are as follows:

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018 <sup>(1)</sup>
Within one year	77,351	42,814
After one year but not more than five years	216,456	133,752
More than five years	69,153	28,747

<sup>(1)</sup> Includes below amounts pertaining to ICISL, a wholly owned subsidiary, classified as held for sale as at March 31, 2018 and disposed off during the current year (Refer Note 44(ii))

- Within one year - ₹ 1,377 Mn
- After one year but not more than five years - ₹ 5,441 Mn
- More than five years - ₹ 5,243 Mn

#### (b) Group as lessor

The Group has leased certain Optical Fibre Cables pairs (OFC) on Indefeasible Rights of Use ("IRU") basis and certain cell sites under operating lease arrangements. The gross block, accumulated depreciation and depreciation expense of the assets given on lease are not separately identifiable and hence not disclosed.

Future minimum lease rentals receivable under non-cancellable operating leases are as follows:

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018 <sup>(1)</sup>
Within one year	-	2,993
After one year but not more than five years	-	11,294
More than five years	-	7,005

<sup>(1)</sup> Includes below amounts pertaining to ICISL, a wholly owned subsidiary, classified as held for sale as at March 31, 2018 and disposed off during the current year (Refer Note 44(ii))

- Within one year - ₹ 2,659 Mn
- After one year but not more than five years - ₹ 11,294 Mn
- More than five years - ₹ 7,005 Mn

- 48 The Group, till February 28, 2019, had composite IT outsourcing agreements where in property, plant and equipment, computer software and services related to IT were supplied by the vendor. Such property, plant and equipment received were accounted for as finance lease. Correspondingly, such assets were recorded at fair value at the time of receipt and depreciated on the stated useful life applicable to similar IT assets of the Group.

## Notes forming part of the Consolidated Financial Statements

### 49 DETAILS OF CURRENT INVESTMENTS

Particulars	As at March 31, 2019		As at March 31, 2018	
	Qty in '000 Units	₹ Value	Qty in '000 Units	₹ Value
Birla Sun Life Cash Plus - Direct - Growth	135,389	40,682	136,850	38,224
HDFC Liquid Fund - Direct - Growth	1,355	4,983	-	-
YES BANK MF -Direct- Growth	701	704	-	-
L&T Liquid Fund - Direct - Growth	333	854	366	871
Reliance Liquid Fund - Direct - Growth	878	4,006	-	-
ICICI Prudential Liquid Fund -Direct- Growth	8,397	2,321	19,629	5,047
SBI Liquid Fund - Direct - Growth	1,416	4,147	-	-
Axis Liquid Fund - Direct - Growth	556	1,153	-	-
UTI-Liquid Cash Plan -Direct- Growth	920	2,814	-	-
DSP Liquidity Fund - Direct - Growth	1,089	2,912	-	-
Invesco India Liquid Fund - Direct - Growth	396	1,020	196	469
Tata Liquid Fund - Direct - Growth	507	1,492	-	-
HDFC Cash Management Fund - Savings Plan - Direct - Growth	-	-	1,344	4,873
SBI Premier Liquid Fund - Direct - Growth	-	-	2,301	6,269
Tata Money Market Fund - Regular - Growth	-	-	202	551
<b>Total</b>	<b>151,937</b>	<b>67,088</b>	<b>160,888</b>	<b>56,304</b>

### 50 DETAILS OF FOREIGN CURRENCY EXPOSURES

#### (a) Hedged by a Derivative Instrument

₹ Mn

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	51	53
Equivalent INR of Foreign Currency Loan <sup>(1)</sup>	3,413	3,566
<b>Trade Payables and Other current financial liability</b>		
Trade Payables and Other current financial liability in USD	274	67
Interest accrued but not due on Foreign Currency Loans in USD	1	-*
Equivalent INR of Trade Payables and Other current financial liability <sup>(1)</sup>	19,989	4,459

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

<sup>(1)</sup> Amount in INR represents conversion at hedged rate

#### (b) Not hedged by a Derivative Instrument or otherwise

₹ Mn

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	411	472
Equivalent INR of Foreign Currency Loan <sup>(1)</sup>	28,429	30,714
<b>Trade Payables and Other current financial liability</b>		
In USD	434	181
In EURO	69	-*
Equivalent INR of Trade Payables and other current financial liability in Foreign Currency <sup>(1)</sup>	35,391	11,789
<b>Trade Receivables</b>		
In USD	56	20
In EURO	1	-*
In GBP	11	-*
<b>Balances with banks-In current accounts in USD</b>	<b>3</b>	<b>-</b>
<b>Equivalent INR of Trade Receivables and bank balances in Foreign Currency<sup>(1)</sup></b>	<b>5,147</b>	<b>1,347</b>

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

<sup>(1)</sup> Amount in INR represents conversion at closing rate

## Notes forming part of the Consolidated Financial Statements

### 51 MOVEMENT OF ALLOWANCES FOR DOUBTFUL DEBTS/ADVANCES

₹ Mn

Particulars	As at	
	March 31, 2019	March 31, 2018
Opening Balance	7,792	6,332
Addition on amalgamation of VMSL and VInL (refer note 3)	6,869	-
Charged to Statement of Profit and Loss (Net) (refer Note 41)	2,301	1,630
Expenses pertaining to ICISL disposed during the year	(48)	-
Allowances for doubtful debts pertaining to VMPL/ ICISL disclosed under Assets held for sale (refer note 44(i) and 44(ii))	(2)	(170)
<b>Closing Balance</b>	<b>16,912</b>	<b>7,792</b>

### 52 ASSET RETIREMENT OBLIGATION

The Group installs equipment's on leased premises to provide seamless connectivity to its customers. In certain cases, the Group may have to incur some cost to remove such equipment's on leased premises. Estimated costs to be incurred for restoration is capitalised along with the assets. The movement of provision as required in Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" is given below:

₹ Mn

Particulars	As at	
	March 31, 2019	March 31, 2018
Opening Balance	94	525
Addition on amalgamation of VMSL and VInL (refer note 3)	55	-
Additional provision	2	11
Unwinding of discount	9	47
Utilisation	(17)	(1)
ARO pertaining to ICISL disclosed under Assets held for sale (refer note 44(i))	-	(488)
<b>Closing Balance</b>	<b>143</b>	<b>94</b>

### 53 Segment Information

The Group reported three segments till year ended March 31, 2018 – Mobility, International Long Distance and Passive Infrastructure. Consequent to the merger of VMSL and VInL and sale of passive infrastructure business, the Chief Operating Decision maker primarily focusses on Mobility business in making decisions on operating matters and on allocating resources in evaluating performance. Accordingly, the Group now operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segment.

### 54 SHARE BASED PAYMENTS

#### a) Employee stock option plan - options granted by Vodafone Idea Limited

The Group has granted stock options under the employee stock option scheme (ESOS) 2006 and stock options as well as restricted stock units (RSU's) under ESOS 2013 to the eligible employees of the Company and its subsidiaries from time to time. These options, subject to fulfilment of vesting conditions, would vest in 4 equal annual installments after one year of the grant and the RSU's will vest after 3 years from the date of grant. The maximum period for exercise of options and RSU's is 5 years from the date of vesting. Each option and RSU when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the Company. The options granted under ESOS 2006 and options as well as RSU's 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, 2019 and March 31, 2018. During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOS 2013. As at year ended March 31, 2019 and March 31, 2018, details and movements of the outstanding options are as follows:

## Notes forming part of the Consolidated Financial Statements

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
<b>i) Options granted under ESOS 2006</b>				
Options outstanding at the beginning of the year	526,677	63.90	1,217,151	58.80
Options exercised during the year	19,087	57.77	609,912	54.43
Options cancelled during the year	33,387	59.20	14,625	65.09
Options expired during the year	296,577	61.84	65,937	57.15
Options outstanding at the end of the year	177,626	68.86	526,677	63.90
Options exercisable at the end of the year	177,626	68.86	526,677	63.90
Range of exercise price of outstanding options (₹)	68.86 - 68.86		57.55 - 68.86	
Remaining contractual life of outstanding options (months)	10		13	
<b>ii) Options granted under ESOS 2013</b>				
Options outstanding at the beginning of the year	13,096,614	126.35	18,972,641	126.28
Options cancelled during the year	572,460	124.01	5,876,027	126.13
Options outstanding at the end of the year	12,524,154	126.46	13,096,614	126.35
Options exercisable at the end of the year	12,169,350	126.83	12,635,255	126.79
Range of exercise price of outstanding options (₹)	110.45 - 150.10		110.45 - 150.10	
Remaining contractual life of outstanding options (months)	30		42	
<b>iii) RSU's granted under ESOS 2013</b>				
Options outstanding at the beginning of the year	2,394,656	10.00	5,009,212	10.00
Options exercised during the year	1,018,848	10.00	2,507,198	10.00
Options cancelled during the year	80,788	10.00	107,358	10.00
Options outstanding at the end of the year	1,295,020	10.00	2,394,656	10.00
Options exercisable at the end of the year	1,156,785	10.00	1,853,893	10.00
Range of exercise price of outstanding options (₹)	10.00		10.00	
Remaining contractual life of outstanding options (months)	43		53	

The weighted average share price at the date of exercise of options exercised during the year was ₹ 52 (March 31, 2018 ₹ 85)

The fair value of each option and RSU is estimated on the date of grant/re-pricing based on the following assumptions:

Particulars	ESOS 2006					
	On the date of Grant				On the date of re-pricing	
	Tranche I (31/12/07)	Tranche II (24/07/08)	Tranche III (22/12/09)	Tranche IV (24/01/11)	Tranche I (21/12/09)	Tranche II (21/12/09)
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	4 yrs 6 months	5 yrs 9 months
Risk free interest rate (%)	7.78	7.5	7.36	8.04-8.14	7.36	7.36
Volatility (%)	40	45.8	54.54	50.45	54.54	54.54
Market price on date of grant/re-pricing (₹)	131.3	91.95	57.55	68.86	57.05	57.05
Fair Value <sup>(1)</sup>	68.99	48.25	31.34	37.47	18.42	10.57

<sup>(1)</sup> As on the date of transition from IGAAP to Ind AS on April 1, 2015, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.



## Notes forming part of the Consolidated Financial Statements

Particulars	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 installment of the grant were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	ESOS 2013			
	Tranche I	Tranche II	Tranche III	Tranche IV
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.91	8.05	7.60	6.94
Volatility (%)	43.95	35.66	34.24	37.21
Market price on date of grant (₹)	126.45	150.10	117.55	110.45
Fair Value	118.70	140.41	107.71	100.40

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

## b) Employee stock option plan – options granted by Vodafone Group Plc

### i. Global Long Term Incentive (“GLTI”):

GLTI is a restricted share plan granted to incentivise delivery of sustained performance over the long term plan to selected employees of the Group. In addition to the 2 years/3 years vesting conditions, options of certain schemes would depend on achievement of the performance conditions of the Group and Vodafone Group Plc. The plans are administered by Vodafone Group Plc. and the information disclosed is to the extent available.

### ii. Global Long Term Retention (“GLTR”):

GLTR plan is a restricted share plan granted as a retention tool to selected employees in the middle management. The options vest in 3 years/2 years after the grant date provided the employees remain in the continued employment of the Group during the vesting period.

### iii. Vodafone Global Incentive Plan (“VGIP”):

VGIP is a restricted plan granted as an investment plan to senior management. These options vest in 3 years after the grant date provided the employee remains in the continued employment of the Group during the vesting period. The vesting of these options were subject to satisfaction of performance conditions of the Group and Vodafone Group Plc. and market based condition, based on total shareholder return (TSR), which is taken into account when calculating the fair value of share awards. The valuation for the TSR is based on Vodafone’s ranking within the same group of companies, where possible over the past five years.

## Notes forming part of the Consolidated Financial Statements

As at year ended March 31, 2019, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2019
<b>i) Options granted under GLTI/ GLTR</b>	<b>No. of Options</b>
Options outstanding as at August 31, 2018	13,868,024
Options granted during the period	-
Options forfeited during the period	1,118,914
Options exercised during the period	460,412
Options outstanding at the end of the year	12,288,698
Options exercisable at the end of the year	12,288,698
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	12
<b>ii) Options granted under VGIP</b>	
Options outstanding as at August 31, 2018	1,702,228
Options granted during the period	-
Options forfeited during the period	-
Options exercised during the period	-
Options outstanding at the end of the year	1,702,228
Options exercisable at the end of the year	1,702,228
Weighted average remaining contractual life of the options outstanding at the end of the year (months)	10

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Liability at the end of year ended March 31, 2019 is ₹ 1,084 Mn.

Fair value of option is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date.

The fair value of each option is mentioned below:

Particulars	Grant date	Expected life	Market price on date of grant/ re-pricing (INR)	Fair Value(INR)
GLTI/ GLTR	13/11/15	1.6 to 3 Years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	223	223
	30/06/16	3 years/ 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	196	196
	18/11/16	3 years continuous employment for GLTR	173	173
	17/02/17	3 years continuous employment for GLTR	166	166
	26/06/17	3 years/ 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	183	183
	17/11/17	1.6 Years continuous employment for GLTR	197	192
	16/02/18	2 years to 2.4 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	179	179
	26/06/18	3 years/ 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	166	166
VGIP	30/06/16 <sup>(1)</sup>	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	196	151
	04/08/17 <sup>(2)</sup>	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	91
	04/08/17	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	189	188

<sup>(1)</sup> Vesting percentage: 77.20%

<sup>(2)</sup> Vesting percentage: 48.30%

## Notes forming part of the Consolidated Financial Statements

### 55 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 sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The following tables summarize the components of net benefit expense recognized in the Consolidated Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for gratuity:

Particulars	₹ Mn	
	As at March 31, 2019	As at March 31, 2018
<b>Amount recognised in Balance Sheet</b>		
Present value of obligations as at the end of the year	1,989	2,348
Fair value of plan assets as at the end of the year	678	795
Net Funded Obligation	1,311	1,553
Present value of unfunded obligations	1,232	-
Net Asset/ (Liability) recognised in Balance Sheet	(2,543)	(1,553)
Net Asset/ (Liability) recognised in Balance Sheet is bifurcated as		
– Other non-financial asset	-	6
– Long term provision	(2,339)	(1,522)
– Short term provision	(163)	-
– Liabilities classified as held for sale	(41)	(37)

Sr. No	Particulars	₹ Mn	
		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>1</b>	<b>Reconciliation of Net Defined Benefit Obligation</b>		
	Opening Net Defined Benefit liability/ (asset)	1,553	1,574
	Net Liabilities assumed on amalgamation of VM SL and VInL with the Company	1,268	-
	Expense charged to statement of profit & loss	558	447
	Income credited to OCI	(500)	(442)
	Employer contributions	(24)	(15)
	Benefits Paid	(245)	-
	Liabilities assumed/ (settled) <sup>(1)</sup>	(29)	(13)
	Impact of Divestiture	(38)	2
	<b>Closing Net Defined Benefit liability/ (asset)</b>	<b>2,543</b>	<b>1,553</b>

## Notes forming part of the Consolidated Financial Statements

Sr. No	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>2</b>	<b>Reconciliation of Defined Benefit Obligation</b>		
	Opening Defined Benefit Obligation	2,348	2,400
	Liabilities assumed on amalgamation of VMSL and VInL with the Company	1,366	-
	Current Service cost	389	341
	Interest on Defined Benefit Obligation	233	167
	Actuarial (Gain)/ Loss arising from change in financial assumptions	189	(205)
	Actuarial (Gain)/ Loss arising from change in demographic assumptions	(274)	(253)
	Actuarial (Gain)/ Loss arising on account of experience changes	(427)	(10)
	Benefits paid	(529)	(80)
	Liabilities assumed/ (settled) <sup>(1)</sup>	(29)	(13)
	Liabilities transferred on account of Divestiture	(46)	1
	<b>Closing Defined Benefit Obligation</b>	<b>3,220</b>	<b>2,348</b>
<b>3</b>	<b>Reconciliation of plan assets</b>		
	Opening fair value of plan assets	795	826
	Assets acquired on amalgamation of VMSL and VInL with the Company	98	-
	Employer contributions	24	15
	Interest on plan assets	64	61
	Re measurements due to		
	– Actual return on plan assets less interest on plan assets	(11)	(26)
	Benefits paid	(284)	(80)
	Assets transferred on account of Divestiture	(8)	(1)
	<b>Closing fair value of plan assets</b>	<b>678</b>	<b>795</b>

<sup>(1)</sup> On account of inter group transfer.

Amounts recognised in the statements of profit and loss in respect of these defined benefit plans are as follows:

Sr. No	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>1</b>	<b>Expenses Recognised in the Statement of Profit &amp; Loss</b>		
	Current Service cost	389	341
	Interest on Net Defined Benefit liability/ (asset)	169	106
	Expenses recognised in the Statement of Profit & Loss	558	447
<b>2</b>	<b>Amount recorded as Other Comprehensive Income (OCI)</b>		
	Re measurement during the year due to		
	– Changes in financial assumptions	189	(205)
	– Changes in demographic assumptions	(274)	(253)
	– Experience adjustments	(427)	(10)
	– Return on plan assets (excluding amounts included in net interest expense)	11	26
	Remeasurement gain recognised in OCI	(501)	(442)

## Notes forming part of the Consolidated Financial Statements

The principal assumptions used in determining gratuity obligations are shown below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.50%	7.85%
Future salary increases <sup>(1)</sup>	8.00%	8.00%
Attrition rate	<b>30 years &amp; below - 30%</b> <b>31-40 years - 15%</b> <b>41 years &amp; above - 8%</b>	30 years & below - 25% 31-40 years - 10% 41 years & above - 3%
Mortality rate during employment	As per Indian Assured Lives Mortality (2006-08) Ult Table	
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.	

<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, 2019		For the year ended March 31, 2018	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	(3.74%)	3.93%	(5.23%)	5.61%
Impact of decrease in 50 bps on DBO	3.99%	(3.72%)	5.67%	(5.24%)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Within the next 12 months	158	158

Disaggregation details of plan assets (% allocation):

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Insurer Managed Funds <sup>(1)</sup>	668	795
Bank balances	7	-

<sup>(1)</sup> The funds are managed by Insurers and they do not provide breakup of plan assets by investment type.

Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Particulars	₹ Mn	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Expected benefits for year 1	407	184
Expected benefits for year 2	305	130
Expected benefits for year 3	339	127
Expected benefits for year 4	307	144
Expected benefits for year 5 and above	5,189	5,946

The average duration of the defined benefit plan obligation at the end of the reporting year is 7.72 years - 11.66 years (March 31, 2018: 10.92 years-15.92 years).

## Notes forming part of the Consolidated Financial Statements

### B. Defined contribution plans:

During the year, the Group has recognised the following amounts in the statement of profit and loss:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employers' contribution to provident and other fund	843	563
Employers' contribution to superannuation fund	100	134

- C. The Company operates its gratuity superannuation plan through separate trust which is administered and managed by the Trustees. As on March 31, 2019 and March 31, 2018, the contribution towards the plans have been invested in Insurer Managed funds and bank balance.

### 56 INCOME TAX EXPENSES

#### (a) Major components of tax expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current Tax</b>		
Current Tax on profits for the year	182	1,234
<b>Total Current Tax Expense (A)</b>	182	1,234
<b>Deferred Tax</b>		
Relating to addition & reversal of temporary differences	(49,021)	(24,593)
Relating to derecognition of tax credits	13,124	-
Relating to change in tax rate	-	49
<b>Total Deferred Tax Expense (B)</b>	(35,897)	(24,544)
<b>Total Tax Expense (A + B)</b>	(35,715)	(23,310)
<b>Income tax effect of re-measurement gains on defined benefit plans taken to other comprehensive income</b>	(178)	(152)

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss before income tax expense	(181,754)	(64,992)
<b>Applicable Tax Rate</b>	34.94%	34.61%
Increase/reduction in taxes on account of:		
Effect of unrecognised business loss	-7.51%	0.00%
Effect of derecognition of tax credits	-7.22%	0.00%
Effect of share of profits in JV/ Associates	0.38%	1.72%
Effects of expenses/ income that are not deductible/ considered in determining the taxable profits	-0.67%	0.36%
Effect of different tax rate	-0.09%	0.05%
Effect of change in tax rate	0.00%	-0.06%
Effect of undistributed retained earnings of JV	-0.23%	-0.95%
Other Items	0.05%	0.14%
<b>Effective Tax Rate</b>	19.65%	35.87%

- (c) During the year ended March 31, 2019, the Group reassessed recognition of deferred tax assets on carry forward losses, unabsorbed depreciation and MAT credit. The Group recognised net deferred tax assets in respect of carry forward losses, unabsorbed depreciation and other temporary difference of ₹ 103,385 Mn as at March 31, 2019 and de-recognised the deferred tax asset in respect of MAT credit of ₹ 13,123 Mn during the year ended March 31, 2019. In assessing the realisability of its deferred tax assets, management considers 10 year approved projections and believes that such projections are reliable and represent a convincing evidence that sufficient taxable profit will be available against which the carry forward losses and unabsorbed depreciation can be utilised. Deferred tax assets of ₹ 103,385 Mn is realisable over a period of 8-9 years.

## Notes forming part of the Consolidated Financial Statements

Out of total unrecognised deferred tax on MAT credit of ₹ 25,724 Mn, ₹ 2,631 Mn is expiring within 0-5 years, ₹ 9,730 Mn is expiring within 5-10 years and ₹ 13,363 Mn is expiring beyond 10 years.

- (d) The Group has recognised deferred tax liabilities of ₹ 471 Mn ( March 31, 2018 ₹ 659 Mn) as on March 31, 2019 on taxable temporary differences with respect to undistributed earnings associated with one of its joint venture where the Group has determined that dividend would be distributed in the future. However, the Group has not recognised deferred tax liabilities on undistributed retained earnings aggregating to ₹ 266 Mn as of March 31, 2019 (March 31, 2018: ₹ 3,627 Mn) with respect to certain subsidiaries where the Group has ability to control the timing of distribution of dividend and does not believe any dividend would be distributed in the foreseeable future.
- (e) The Group has not recognized deferred tax assets in respect of certain carried forward tax losses / capital losses / temporary differences of ₹ 7,787 Mn as of March 31, 2019 (March 31, 2018 ₹ 140 Mn). The aforesaid losses and unabsorbed depreciation will lapse in subsequent years as follows:

	As at March 31, 2019 <sup>(1)</sup>	As at March 31, 2018
Within 1 year	462	-
From 1-3 years	1,191	-
From 3-5 years	1,116	45
Above 5 years	229	-
Unabsorbed depreciation/ temporary differences without any limitation period	4,789	-
<b>Total</b>	<b>7,787</b>	<b>45</b>

<sup>(1)</sup> Above amounts does not include the carried forward tax losses and temporary differences on which deferred tax assets not recognised pertaining to a subsidiary held for sale of ₹ 5,156 Mn.

### 57 MOVEMENT IN DEFERRED TAX

₹ Mn

Particulars	As at April 1, 2017	Recognised in				As at March 31, 2018	Pursuant to amalga- mation of VMSL and VnL with the Com- pany (refer note 3)	Recognised in				As at March 31, 2019
		Profit and Loss	OCI	Other equity	AHFS (refer note 43 (i))			Profit and Loss	OCI	Other Equity pursuant to merger, etc.	AHFS (refer note 43 (ii))	
<b>Liabilities</b>												
Depreciation & Amortisation	51,948	13,976	-	-	43	65,967	89,425	12,362	-	-	(55)	167,699
Effects of remeasuring financial instruments under Ind AS	91	504	-	-	(6)	589	446	(624)	-	-	(2)	409
Effects of inflation linked escalation on rental income/ expense not requiring equalization over the lease term	(5)	-	-	-	5	-	-	-	-	-	-	-
Undistributed retained earning of JV	581	619	-	(541)	-	659	-	425	-	(613)	-	471
Others	-	-	-	-	-	-	145	(25)	-	-	-	120
<b>Total (A)</b>	<b>52,615</b>	<b>15,099</b>	<b>-</b>	<b>(541)</b>	<b>42</b>	<b>67,215</b>	<b>90,016</b>	<b>12,138</b>	<b>-</b>	<b>(613)</b>	<b>(57)</b>	<b>168,699</b>
<b>Assets</b>												
Tax Losses	22,181	38,857	-	-	-	61,038	134,446	54,182	-	-	-	249,666
Expenses allowable on Payment Basis	1,880	168	(152)	-	(54)	1,842	8,442	(2,299)	(178)	-	(1)	7,806
Provisions for doubtful debts/ advances	2,030	598	-	-	(57)	2,571	2,377	8,797	-	-	(17)	13,728
MAT credit	13,123	-	-	-	-	13,123	-	(13,123)	-	-	-	-
Others	183	20	-	-	(169)	34	(87)	478	-	-	(12)	413
<b>Total (B)</b>	<b>39,397</b>	<b>39,643</b>	<b>(152)</b>	<b>-</b>	<b>(280)</b>	<b>78,608</b>	<b>145,178</b>	<b>48,035</b>	<b>(178)</b>	<b>-</b>	<b>(30)</b>	<b>271,613</b>
<b>Net Deferred Tax Liabilities/ (assets) (A - B)</b>	<b>13,218</b>	<b>(24,544)</b>	<b>152</b>	<b>(541)</b>	<b>322</b>	<b>(11,393)</b>	<b>(55,162)</b>	<b>(35,897)</b>	<b>178</b>	<b>(613)</b>	<b>(27)</b>	<b>(102,914)</b>
<b>As per Financials:</b>												
Deferred Tax Asset	369	-	-	-	-	12,052	-	-	-	-	-	103,385
Deferred Tax Liabilities	13,587	-	-	-	-	659	-	-	-	-	-	471

## Notes forming part of the Consolidated Financial Statements

### 58 BASIC & DILUTED EARNINGS/(LOSS) PER SHARE

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Nominal value of per equity share (₹)	10/-	10/-
Loss after Tax <sup>(1)</sup> (₹ Mn)	(146,286)	(41,966)
Loss attributable to equity shareholders <sup>(1)</sup> (₹ Mn)	(146,286)	(41,966)
Weighted average number of equity shares outstanding during the year	6,913,183,650	3,692,852,565
Basic earnings per share (₹)	(21.16)	(11.36)
Dilutive effect on weighted average number of equity shares outstanding during the year	*	*
Weighted average number of diluted equity shares	6,913,183,650	3,692,852,565
Diluted earnings per share (₹)	(21.16)	(11.36)

<sup>(1)</sup> Adjusted for Group's share of additional depreciation debited to other equity by joint venture pursuant to scheme.

\* As the Group has incurred loss during the year, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

### 59 RELATED PARTY TRANSACTIONS

The related parties where control, joint control and significant influence exists are subsidiaries, joint ventures and associate respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

Relationship	Related Party
Associate	Aditya Birla Idea Payments Bank Limited
Joint Venture (JV)	Indus Towers Limited
	Firefly Networks Limited (effective from August 31, 2018)
Promoter Group	Grasim Industries Limited
	Hindalco Industries Limited
	Euro Pacific Securities Limited (effective from August 31, 2018)
	Prime Metals Limited (effective from August 31, 2018)
	Mobilvest (effective from August 31, 2018)
	Vodafone Telecommunications (India) Limited (effective from August 31, 2018)
	Omega Telecom Holdings Private Limited (effective from August 31, 2018)
	Telecom Investment India Private Limited (effective from August 31, 2018)
	Asian Telecommunications Investments (Mauritius) Limited (effective from August 31, 2018)
	Al-Amin Investments Limited (effective from August 31, 2018)
	Jaykay Finholding (India) Private Limited (effective from August 31, 2018)
	CCII (Mauritius) Inc (effective from August 31, 2018)
	Usha Martin Telematics Private Limited (effective from August 31, 2018)
	Trans Crystal Limited (effective from August 31, 2018)
Entities having significant influence [includes Subsidiary of the entity to which the Company is a JV (effective from August 31, 2018)]	Aditya Birla Capital Advisors Private Limited
	Aditya Birla Finance Limited
	Aditya Birla Capital Limited (Erstwhile Aditya Birla Financial Services Limited)
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Health Insurance Company Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla Insurance Brokers Limited



## Notes forming part of the Consolidated Financial Statements

Relationship	Related Party
Entities having significant influence [includes Subsidiary of the entity to which the Company is a JV (effective from August 31, 2018)]	Aditya Birla Management Corporation Private Limited (effective from August 31, 2018)
	Aditya Birla Money Limited
	Aditya Birla Money Mart Limited (ABMML)
	Aditya Birla Wellness Private Limited
	Axiata Group Berhad (ceased from August 16, 2018)
	Axiata Investments 1 India Limited (ceased from August 16, 2018)
	Axiata Investments 2 India Limited (ceased from August 16, 2018)
	Birla Institute of Technology and Science Company
	Adity Birla Sun Life AMC Limited (Erstwhile Birla Sun Life Asset Management Company Limited)
	Birla Sun Life Insurance Company Limited
	Celcom Axiata Berhad (ceased from August 16, 2018)
	Dialog Axiata PLC - Sri Lanka. (ceased from August 16, 2018)
	Ncell Private Limited (ceased from August 16, 2018)
	PT. XL Axiata, Tbk (ceased from August 16, 2018)
	Robi Axiata Limited (ceased from August 16, 2018)
	Smart Axiata Co. Ltd (ceased from August 16, 2018)
	Vodafone Enterprise Luxembourg S.A (effective from August 31, 2018)
	Ultratech Cement Limited
	Vodafone Limited (effective from August 31, 2018)
	Vodafone Enterprise Global Limited (effective from August 31, 2018)
	Vodafone India Services Private Limited (effective from August 31, 2018)
	Vodafone Network Pty Limited (effective from August 31, 2018)
	Vodafone New Zealand Limited (effective from August 31, 2018)
	Vodafone International Services LLC (effective from August 31, 2018)
	Vodafone Libertel B.V. (effective from August 31, 2018)
	Vodafone Telekomunikasyon A.S (effective from August 31, 2018)
	Vodafone Gmbh (effective from August 31, 2018)
	Vodafone Italia S.P.A. (effective from August 31, 2018)
	Vodafone Ireland Limited (effective from August 31, 2018)
	Vodafone Espana S.A.U. (effective from August 31, 2018)
	Vodacom (Pty) Limited (effective from August 31, 2018)
	Vodafone-Panafon Hellenic Telecommunications Company S.A. (effective from August 31, 2018)
	Vodafone Romania S.A (effective from August 31, 2018)
	Vodafone Magyarorszag (ZRT) (effective from August 31, 2018)
	Vodacom Lesotho (Pty) Limited (effective from August 31, 2018)
	Vodafone Albania Sh.A (effective from August 31, 2018)
	Vodafone Czech Republic A.S.(effective from August 31, 2018)
	Safaricom PLC. (effective from August 31, 2018)
	Vodafone Portugal Comunicacoes Pessoais, S.A. (effective from August 31, 2018)
	Vodafone Malta Limited (effective from August 31, 2018)
Vodafone Net Iletisim Hizmetleri A.S. (effective from August 31, 2018) (formerly known as Vodafone Alternatif Telekom Hizmetleri A.S.)	
Vodacom Tanzania PLC.(effective from August 31, 2018)	
Vodacom Congo (RDC) S.A. (effective from August 31, 2018)	

## Notes forming part of the Consolidated Financial Statements

Relationship	Related Party
Entities having significant influence [includes Subsidiary of the entity to which the Company is a JV (effective from August 31, 2018)]	Ghana Telecommunications Company Limited (effective from August 31, 2018)
	Vodafone Group Services Limited (effective from August 31, 2018)
	Vodafone Sales & Services Limited (effective from August 31, 2018)
	VM, SA (Vodafone Mozambique) (effective from August 31, 2018)
	Vodafone Enterprise Singapore Pte. Ltd (effective from August 31, 2018)
	Vodafone Global Enterprise Limited (effective from August 31, 2018)
	LLC Vodafone Enterprise Ukraine (effective from August 31, 2018)
	Vodafone Egypt Telecommunications S.A.E.(effective from August 31, 2018)
	Vodafone Roaming Services S.À R.L (effective from August 31, 2018)
	Vodafone Procurement Company (effective from August 31, 2018)
	Vodacom Group Limited (effective from August 31, 2018)
	C&W Global Networks Ltd (effective from August 31, 2018)
	CABLE AND WIRELESS GLOBAL Bangalore (effective from August 31, 2018)
	Key Management Personnel (KMP)
Mr. Kumar Mangalam Birla	
Mr. Akshaya Moondra	
Mrs. Alka Bharucha (ceased from March 31, 2018)	
Mr. Arun Thiagarajan	
Mr. Himanshu Kapania	
Mr. Pejavar Murari (ceased from August 31, 2018)	
Mr. Baldev Raj Gupta (ceased from August 31, 2018)	
Mr. Sanjeev Aga (ceased from August 31, 2018)	
Ms. Tarjani Vakil (Ceased from September 17, 2018)	
Mr. Balesh Sharma (effective from August 31, 2018)	
Smt. Neena Gupta (effective from September 17, 2018)	
Mr. Arun Adhikari (effective from August 31, 2018)	
Mr. Uday Khanna (from August 31, 2018 till September 28, 2018)	
Mr. Ashwani Windlass (effective from August 31, 2018)	
Dr. Shridhir Sariputta Hansa Wijayasriya (Representative of Axiata and ceased from March 30, 2018)	
Mr. Mohan Gyani (Ceased from August 31, 2018)	
Mr. Douglas Baillie (from August 31, 2018 till November 14, 2018)	
Others	Breach Candy Hospital and Research Centre (ceased from August 31, 2018)
	Bharucha and Partners (ceased from March 31, 2018)
	Citec Engineering India Private Limited (ceased from March 30, 2018)
	G.D Birla Medical Research & Education Foundation
	Bhubaneshwari Coal Mining Limited (ceased from August 31, 2018)
	Svatantra Microfin Private Limited
	Interglobe hotels private limited
Trust <sup>(1)</sup>	ICL Employee's Group Gratuity Scheme
	ICL Employee Superannuation Scheme
	Idea Cellular Services Limited Employee's Group Gratuity Scheme
	Hutchison Max Telecom Limited Superannuation Fund (effective from August 31, 2018)

<sup>(1)</sup> Transaction with trust includes contribution to provident fund, pension, gratuity and superannuation funds and refer note 55 for information on transaction with post-employment benefit plans mentioned above.

## Notes forming part of the Consolidated Financial Statements

## A. Transactions with Related Parties for the year ended March 31, 2019 and March 31, 2018

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Others
Sale of service	2 (1)	1,352 (200)	7 (8)	-* -*	7 (40)
Purchase of service	- -	4826^^ (67)	77,185^ (37,653)	- -	55 (252)
Remuneration <sup>(1)</sup>	- -	- -	- -	160 (74)	- -
Commission	-* (1)	- -	- -	- -	- -
Non-Compete Fees Expense	- -	- -	- -	6 (15)	- -
Director's sitting fees paid	- -	- -*	- -	4 (4)	- -
Interest Expense on NCD	- -	- (6)	- -	- -	- -
Expense incurred on behalf of	- -*	65 -*	- -	- -	- -
Expense incurred on company's behalf by	- -	73 -*	- -	- -	- -
Investments	571 (991)#	- -	- -	- -	- -
Sale of Fixed Assets	-* (2)	4 -	- -	- -	- -
Insurance premium (including advance given)	- -	159 (317)	- -	- -	- -
Dividend received	- -	- -	2,990 (2,657)	- -	- -
Interest Income on loan given	- -	- -	-* -	- -	- -

## Notes forming part of the Consolidated Financial Statements

### B. Balances with Related Parties

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Ventures	KMP	Others
Trade and Other Receivables	1 (26)	1,345 (14)	4 (3)	-	- _*
Trade and Other Payables	25 _*	6,440 (15)	37,450^ (5,229)	-	1 (9)
Deposits Given (included in Other Non-Financial Assets)	-	-	1,000 (1,000)	-	-
Other Current Assets (included in Other Current Financial Assets)	-	169 (40)	-	-	-
Remuneration payable	-	-	-	44 (8)	-
Prepaid Expenses	-	-	793 (392)	-	-
Other receivable	-	-	1,224	-	-
Outstanding loan receivable	-	-	8	-	-
	-	-	-	-	-

(Figures in bracket are for the year ended March 31, 2018)

<sup>(1)</sup> Excludes charge taken towards share based payments

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

^ Includes amounts accrued on account of onerous contract (Site Exits) involving invoicing and settlements over a 3 years period.

# excludes shares received in lieu of shares held in IMCSL pursuant to merger of IMCSL with ABIPL (refer note 44(v))

^^ Includes ₹ 3,158 Mn and ₹ 1,422 Mn towards Business Support Services availed from Vodafone Group Services Limited and Aditya Birla management Corporation Private Limited, respectively

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 Group and VnL shareholders (refer note 3).

### C. Commitments with Related Parties

The group has lease commitments towards its joint venture amounting to ₹ 227,183 Mn (March 31, 2018: ₹ 134,185 Mn).

### D. Compensation of Key Management Personnel of the Company

₹ Mn

Particulars	March 31, 2019	March 31, 2018
Short-term employee benefits	156	71
Post-employment benefits <sup>(1)</sup>	4	3
Share-based payment transactions	15	(23) <sup>(2)</sup>

<sup>(1)</sup> Represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

<sup>(2)</sup> The charge for the year is net of reversal on account of cancellation of unvested options.

- 60** The Company is one of the members of Aditya Birla Management Corporation Private Limited ('ABMPCL'), a Company limited by guarantee, which has been formed to provide common pool of facilities and resources to its members with a view to optimise the benefits of specialisation and minimize cost to each member. The Company's share of expenses incurred under the common pool has been accounted for at actuals in the respective heads in the Consolidated Statement of Profit and Loss. Further, the Company has entered into a recharge agreement with ABMPCL pursuant to amalgamation of VMSL and VnL with the Company effective August 31, 2018.

## Notes forming part of the Consolidated Financial Statements

### 61 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, subsidiaries and associate.

₹ Mn

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Current Investments	67,088	-	56,304	-
Trade Receivables	-	33,000	-	8,874
Loans	-	27	-	44
Cash and cash equivalents	-	8,428	-	193
Bank balance other than cash and cash equivalents	-	1,480	-	98
Deposit with Body Corporates, Government Authorities and Others <sup>(1)</sup>	-	9,155	-	4,397
Interest receivable <sup>(1)</sup>	-	21	-	1
Derivative Financial Assets <sup>(1)</sup>	247	-	28	-
Others <sup>(1)</sup>	-	1,619	68	-
<b>Total Financial Assets</b>	<b>67,335</b>	<b>53,730</b>	<b>56,400</b>	<b>13,607</b>

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Liabilities</b>				
Fixed Rate Borrowings including Interest accrued but not due	-	1,159,595	-	493,396
Floating Rate Borrowings including Interest accrued but not due	-	162,984	-	114,263
Trade Payables	-	135,166	-	35,479
Payables for Capital Expenditure <sup>(2)</sup>	-	73,186	-	29,523
Derivative Financial Liabilities <sup>(2)</sup>	819	-	112	-
Security Deposits from Customers and Others <sup>(2)</sup>	-	5,089	-	2,209
Regulatory and other liabilities <sup>(2)</sup>	-	-	-	-
Indemnity liability <sup>(2)</sup>	-	83,923	-	-
Others <sup>(2)</sup>	4	-	4	-
<b>Total Financial Liabilities</b>	<b>823</b>	<b>1,619,943</b>	<b>116</b>	<b>674,870</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.

Particulars	Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2019			₹ Mn
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
Current Investments	67,088	-	-	67,088
Derivative Financial Assets	-	247	-	247
<b>Total Financial Assets</b>	<b>67,088</b>	<b>247</b>	<b>-</b>	<b>67,335</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	819	-	819
Others	-	4	-	4
<b>Total Financial Liabilities</b>	<b>-</b>	<b>823</b>	<b>-</b>	<b>823</b>

## Notes forming part of the Consolidated Financial Statements

### ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2018 ₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current Investments	56,304	-	-	56,304
Derivative Financial Assets	-	28	-	28
Others	-	68	-	68
<b>Total Financial Assets</b>	<b>56,304</b>	<b>96</b>	<b>-</b>	<b>56,400</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	112	-	112
Others	-	4	-	4
<b>Total Financial Liabilities</b>	<b>-</b>	<b>116</b>	<b>-</b>	<b>116</b>

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

#### a) Financial Assets

- Trade Receivables
- Loans
- Cash and Cash equivalents
- Bank balance other than cash and cash equivalents
- Deposit with Body Corporates, Government Authorities and Others
- Interest Receivable
- Others

#### b) Financial Liabilities

- Floating Rate Borrowings including Interest accrued but not due
- Trade Payables
- Payable for capital expenditure
- Security Deposits from Customers and Others
- Indemnity liability

### iv. Fair value hierarchy of financial liabilities measured at amortised cost is below: ₹ Mn

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Fixed rate borrowings including interest accrued but not due <sup>(1)</sup> :					
As at March 31, 2019	1,159,595	-	1,212,720	-	1,212,720
As at March 31, 2018	493,396	-	531,474	-	531,474

<sup>(1)</sup> Includes Deferred Payment Liability, NCD and others.

### v. Assets for which fair value is disclosed

The fair values and carrying values of the Group's Investment Property held at amortised cost are set out in the table below (unless otherwise stated, the valuation basis is level 2).

Particulars	₹ Mn	
	Fair Value As at March 31, 2019	Carrying Value As at March 31, 2019
Investment Property (Refer Note 9)	988	672
<b>Total</b>	<b>988</b>	<b>672</b>

## Notes forming part of the Consolidated Financial Statements

There were no changes made during the year to valuation methods or the processes to determine classification of level. Level 2 classification comprises items where fair value is determined from inputs other than quoted prices that are observable for the Investment Property.

### Valuation Technique used to determine fair value:

Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments such as forward, interest rate swap and cross currency swaps with various counterparties. The fair value of such derivatives instruments are determined using forward exchange rates, currency basis spreads between respective currencies and interest rate curves.

## 62 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, derivative liabilities, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets comprise investments, cash and bank balance, trade and other receivables. The Group also enters into derivative transactions such as foreign forward exchange contracts, Interest rate swaps as a part of Group's financial risk management policies. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Group is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Group's senior management comprising of a team of qualified finance professionals with appropriate skills and experience oversees management of these risks and provides assurance to the management that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activity for risk management purposes are carried by specialist team having appropriate skills and experience. The risks and measures to mitigate such risks is reviewed by the committee of Board of Directors periodically.

### Market risk

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At March 31, 2019, after taking into account the effect of interest rate swaps, approximately 87.07% of the Group's borrowings are at a fixed rate of interest (March 31, 2018: 80.70%).

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

## Notes forming part of the Consolidated Financial Statements

Particulars	Increase/decrease in basis points	Effect on profit before tax
<b>March 31, 2019</b>		
INR - Borrowings	+100	(1,337)
	-100	1,337
USD - Borrowings	+100	(292)
	-100	292
<b>March 31, 2018</b>		
INR - Borrowings	+100	(800)
	-100	800
USD - Borrowings	+100	(318)
	-100	318

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

### b) Foreign currency risk

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

The Group's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Group's policies. When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. The Group has major foreign currency risk in USD.

The Group hedged 38.66% (March 31, 2018: 27.26%) of its foreign currency trade payables and 10.99% (March 31, 2018: 10.05%), of its foreign currency loans. This foreign currency risk is hedged by using foreign currency forward contracts and cross currency rate swaps (refer note 50).

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Group's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency exposure	Change in currency exchange rate	Effect on profit before tax
<b>March 31, 2019</b>		
USD	+5%	(2,719)
	-5%	2,719
<b>March 31, 2018</b>		
USD	+5%	(2,058)
	-5%	2,058

The derivatives have not been designated in a hedge relationship, they act as a hedge and will offset the underlying transactions when they occur.

### c) Price risk

The Group invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenure 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.



## Notes forming part of the Consolidated Financial Statements

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Group, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90/120 days from date of billing and b) for receivables on account of roaming, IUC and passive infrastructure sharing remaining unpaid beyond 180/365 days. Further, allowance is also recognised for cases indicating any specific trail of credit loss within the ageing brackets mentioned above. Individual trade receivables are written off when management deems them not to be collectible. Any subsequent recovery is recognized as Income in the Consolidated Statement of Profit and Loss. Refer note 16 for the carrying amount of credit exposure as on the Consolidated Balance Sheet date.

### - Other financial assets and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Group's Treasury Department on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2019 and March 31, 2018 on its carrying amounts as disclosed in notes 12, 18, 19 and 20 except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instrument is noted in note 62 (e) and liquidity table below.

### e) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. Approximately 9.00% of the Group's debt excluding interest will mature in less than one year at March 31, 2019, without considering reclassification into current maturity on debt convent breach (March 31, 2018: 1.80%) based on the carrying value of borrowings reflected in the financial statements. Based on the past performance and future expectation, the Group believe that cash generated from operations, capital raised through rights issue (refer note 67), working capital management and available sources from raising funds (including monetization of certain assets and additional borrowings) as needed will satisfy its cash flow requirement associated with repayment of borrowings due and its operation, through at least the next twelve months (refer note 4 and 25b).

The table below summarizes the maturity profile of the Group'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, 2019</b>					
Borrowings and Interest thereon <sup>(1)</sup>	1,323,542	333,079*	772,958	1,193,455	2,299,492
Trade and other payables <sup>(2)</sup>	208,352	186,241	22,111	-	208,352
Other financial liabilities <sup>(1) &amp; (2)</sup>	89,016	5,070	83,946	-	89,016
	<b>1,620,910</b>	<b>524,390</b>	<b>879,015</b>	<b>1,193,455</b>	<b>2,596,860</b>
Derivatives liabilities	819	819	-	-	819
Derivatives assets <sup>(3)</sup>	(247)	(167)	(80)	-	(247)
	<b>572</b>	<b>652</b>	<b>(80)</b>	<b>-</b>	<b>572</b>
<b>Total</b>	<b>1,621,482</b>	<b>525,042</b>	<b>878,935</b>	<b>1,193,455</b>	<b>2,597,432</b>
<b>As at March 31, 2018</b>					
Borrowings and Interest thereon <sup>(1)</sup>	607,659	31,702	469,626	577,508	1,078,836
Trade and other payables <sup>(2)</sup>	65,002	65,002	-	-	65,002
Other financial liabilities <sup>(1) &amp; (2)</sup>	2,213	2,190	23	-	2,213
	<b>674,874</b>	<b>98,894</b>	<b>469,649</b>	<b>577,508</b>	<b>1,146,051</b>
Derivatives liabilities	112	112	-	-	112
Derivatives assets <sup>(3)</sup>	(28)	(28)	-	-	(28)
	<b>84</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>84</b>
<b>Total</b>	<b>674,958</b>	<b>98,978</b>	<b>469,649</b>	<b>577,508</b>	<b>1,146,135</b>

\*The Company has classified gross amount ₹ 102,802 Mn from non-current borrowings to current maturities of long term although the Company is confident that there will be no acceleration of payment in this regard (refer note 25 (b)).

## Notes forming part of the Consolidated Financial Statements

<sup>(1)</sup> Interest accrued but not due of ₹ 64,143 Mn (March 31, 2018: ₹ 27,808 Mn) has been excluded from other financial liabilities and included in borrowings and interest thereon.

<sup>(2)</sup> Payable for capex expenditure of ₹ 73,186 Mn (March 31, 2018: ₹ 29,523 Mn) has been excluded from other financial liabilities and included in trade and other payables.

<sup>(3)</sup> Included as part of maturity profile as the underlying of these derivatives are borrowings and other financial liabilities included above.

### 63 IMPAIRMENT REVIEW:

As at March 31, 2019, since the market capitalisation of the Group is below the net assets value in the books, it indicates potential impairment of the non-current assets of the Group. Accordingly, the group has tested for impairment of non-current assets and such testing did not result in any impairment in the carrying value of non-current assets.

The recoverable amount has been determined based on value-in-use calculation using cash flow projections from financial budgets approved by board of directors covering a five-year period. The cash flow beyond the planning period are extrapolated using appropriate terminal growth rate.

The key assumptions used to calculate the value-in-use are as follows:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Discount rate (post tax rate)
- Growth rate
- Capital expenditure

**EBITDA:** The EBITDA margins have been estimated based on the past experience, synergy realization and other cost optimisation initiatives being undertaken by the Company and after considering incremental revenues from existing and new customers from all revenue streams.

**Discount rate:** Discount rate reflects the current market assessment of the risks specific to the Group taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate is derived based on the weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. The post-tax discount rate currently used to discount the estimated cash flows is 12%.

**Growth rate:** The terminal growth rate used for extrapolating cash flows beyond the planning period of 5 years is 5% and is in line with the long-term average growth rate of the telecom industry in India and are consistent with internal / external sources of information.

**Capital expenditure:** The cash flow forecasts of capital expenditure are based on additional estimated capital expenditure towards incremental coverage and capacity enhancement requirements.

### 64 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 shareholder value.

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 debt-equity ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents and investment in liquid mutual funds.

₹ Mn

Particulars	As at	
	March 31, 2019	March 31, 2018
Borrowings	1,085,236	569,625
Current Maturities of long term debts	174,163	10,226
Less: Investment in liquid mutual funds	(67,088)	(56,304)
Less: Cash and cash equivalents	(8,428)	(193)
<b>Net debt (A)</b>	<b>1,183,883</b>	<b>523,354</b>
Equity share capital	87,356	43,593
Other Equity	508,992	229,032
<b>Total Equity (B)</b>	<b>596,348</b>	<b>272,625</b>
<b>Debt-equity ratio (A)/(B)</b>	<b>1.99</b>	<b>1.92</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

## Notes forming part of the Consolidated Financial Statements

## 65 ADDITIONAL DISCLOSURE AS PER REQUIREMENT OF SCHEDULE III

## A) Net Assets of the Company, its subsidiaries, joint ventures and associate as at March 31, 2019 and March 31, 2018

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit/(loss)		Share in Other Comprehensive Income/(Loss)		Share in total comprehensive Income/(Loss)		Amount
	As % of consolidated net assets	Amount	As % of consolidated profit/loss	Amount	As % of consolidated Other Comprehensive Income/(Loss)	Amount	As % of consolidated Total Comprehensive Income/(Loss)		
₹ Mn									
<b>Vodafone Idea Limited (Formerly known as Idea Cellular Limited)</b>									
31-Mar-19	106.49%	635,045	96.25%	(140,560)	(975.00%)	(3,198)	98.66 %		(143,758)
31-Mar-18	94.16 %	256,695	114.70%	(47,808)	98.94%	280	114.80 %		(47,528)
<b>Subsidiaries</b>									
<b>Idea Telesystems Limited</b>									
31-Mar-19	0.03 %	201	(0.01%)	8	-	-	(0.01)%		8
31-Mar-18	0.07 %	192	0.00%	1	-	-	0.00 %		1
<b>Idea Cellular Services Limited</b>									
31-Mar-19	0.00 %	4	0.00%	2	(6.71%)	(22)	0.01 %		(20)
31-Mar-18	0.01 %	24	(0.02%)	8	2.83%	8	(0.04)%		16
<b>Idea Cellular Infrastructure Services Limited (Ceased to be subsidiary from May 31, 2018)</b>									
31-Mar-19	-	-	(0.16%)	236	-	-	(0.16)%		236
31-Mar-18	3.19 %	8,695	(4.22%)	1,761	0.35%	1	(4.26)%		1,762
<b>Aditya Birla Telecom Limited (Merged with VIL effective November 30, 2018)</b>									
31-Mar-19	-	-	-	-	-	-	-		-
31-Mar-18	22.70 %	61,888	(7.57%)	3,155	(1695.05%)	(4,797)	3.97 %		(1,642)
<b>Idea Mobile Commerce Services Limited (Ceased to exist from February 22, 2018)</b>									
31-Mar-19	-	-	-	-	-	-	-		-
31-Mar-18	-	-	(0.02%)	8	0.35%	1	(0.02)%		9
<b>Vodafone Towers Limited<sup>(1)</sup></b>									
31-Mar-19	0.00 %	6	0.00%	(2)	-	-	-		(2)
<b>Vodafone Business Services Limited<sup>(1)</sup></b>									
31-Mar-19	(0.44)%	(2,648)	(0.01%)	18	-	-	(0.01)%		18
<b>Mobile Commerce Solutions Limited<sup>(1)</sup></b>									
31-Mar-19	0.27 %	1,585	0.85%	(1,235)	-	-	0.85 %		(1,235)
<b>Vodafone Foundation<sup>(1)</sup></b>									
31-Mar-19	0.00 %	(4)	0.00%	2	-	-	0.00 %		2
<b>Connect (India) Mobile Technologies Private Limited<sup>(1)</sup></b>									
31-Mar-19	0.04 %	252	0.00%	5	-	-	0.00 %		5

## Notes forming part of the Consolidated Financial Statements

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)		Amount
	As % of consolidated net assets	Amount	As % of consolidated profit/loss	Amount	As % of consolidated Other Comprehensive Income/(Loss)	Amount	As % of consolidated Total Comprehensive Income/(Loss)		
<b>Vodafone m-pesa Limited<sup>(1)</sup></b>									
31-Mar-19	0.00 %	20	0.30%	(437)	(0.30%)	(1)	0.30 %	(438)	
<b>Vodafone Technology Solutions Limited<sup>(1)</sup></b>									
31-Mar-19	(0.01)%	(71)	0.02%	(26)	-	-	0.02 %	(26)	
<b>Vodafone India Ventures Limited<sup>(1)</sup></b>									
31-Mar-19	0.01 %	80	(0.04%)	58	-	-	(0.04)%	58	
<b>Vodafone India Digital Limited<sup>(1)</sup></b>									
31-Mar-19	0.00 %	3	-	-	-	-	-	-	
<b>You Broadband India Limited<sup>(1)</sup></b>									
31-Mar-19	(0.04)%	(252)	0.18%	(258)	-	-	0.18 %	(258)	
<b>You System Integration Private Limited<sup>(1)</sup></b>									
31-Mar-19	0.00 %	(7)	-	-	-	-	-	-	
<b>Associates</b>									
<b>Aditya Birla Idea Payments Bank Limited</b>									
31-Mar-19	0.00 %	-	0.51%	(747)	1.83%	6	0.51 %	(741)	
31-Mar-18	0.00 %	-	0.56%	(234)	(0.35%)	(1)	0.58 %	(235)	
<b>Joint ventures</b>									
<b>Indus Towers Limited</b>									
31-Mar-19	-	-	(1.85%)	2,701	(0.30%)	(1)	(1.85)%	2,700	
31-Mar-18	-	-	(6.81%)	2,838	(2.12%)	(6)	(6.84)%	2,832	
<b>Firefly Networks Limited<sup>(1)</sup></b>									
31-Mar-19	-	-	(0.01%)	15	-	-	(0.01)%	15	
<b>Consolidation Adjustments</b>									
31-Mar-19	(6.36)%	(37,866)	3.97%	(5,819)	1080.48%	3,544	1.55 %	(2,275)	
31-Mar-18	(20.13)%	(54,869)	3.38%	(1,411)	1695.05%	4,797	(8.18)%	3,386	
<b>Total</b>									
<b>31-Mar-19</b>	<b>100.00 %</b>	<b>596,348</b>	<b>100.00%</b>	<b>(146,039)</b>	<b>100.00%</b>	<b>328</b>	<b>100.00%</b>	<b>(145,711)</b>	
<b>31-Mar-18</b>	<b>100.00 %</b>	<b>272,625</b>	<b>100.00 %</b>	<b>(41,682)</b>	<b>100.00 %</b>	<b>283</b>	<b>100.00 %</b>	<b>(41,399)</b>	

<sup>(1)</sup> Pursuant to amalgamation of VMSL and Vinl with the Company (refer note 3)

## Notes forming part of the Consolidated Financial Statements

## 66 INTEREST IN OTHER ENTITIES

## a) Interests in associate and joint ventures:

The associate/ joint ventures which, in the opinion of the directors, are material to the Group as at March 31, 2019 are as below. The entities listed below have share capital consisting solely of equity shares which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% of ownership interest		Relationship	Accounting method	Quoted fair value		Carrying amount (₹ Mn)	
		As at March 31, 2019	As at March 31, 2018			As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Indus	India	11.15%	11.15%	Joint Venture	Equity Method	*	*	13,562	14,712
ABIPBL	India	49.00%	49.00%	Associate	Equity Method	*	*	1,719	1,889
FNL <sup>(1)</sup>	India	50.00%	-	Joint Venture	Equity Method	*	-	17	-

\* Unlisted entity- no quoted price available

<sup>(1)</sup> Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3)

## b) Summarised financial information for associate and joint ventures:

The table below provide summarised financial information for the joint ventures and associate of the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and joint ventures and not Vodafone Idea Limited's share of those amounts.

## Summarised Balance Sheet

Particulars	Indus Towers Limited (Indus)		Firefly Networks Limited <sup>(1)</sup>	ABIPBL	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
<b>Equity</b>					
Equity share capital	1	1	20	5,689	4,523
Other equity	121,629	131,949	14	(4,062)	(2,549)
<b>Total Equity</b>	<b>121,630</b>	<b>131,950</b>	<b>34</b>	<b>1,627</b>	<b>1,974</b>
<b>Liabilities</b>					
Long term borrowings	11,223	9,556	16	-	-
Other non-current financial and non-financial liabilities	17,138	19,801	2	136	172
Deferred tax liability (Net)	10,800	10,498	-	-	-
Short term borrowings	31,241	24,016	-	-	-
Other current financial and non-financial liabilities	52,104	40,352	63	709	626
<b>Total Liabilities</b>	<b>122,506</b>	<b>104,223</b>	<b>81</b>	<b>845</b>	<b>798</b>
<b>Assets</b>					
Property, Plant and Equipment and Intangible (including CWIP)	176,014	185,372	*	837	1,039
Other non-current financial and non-financial assets	11,947	10,820	9	73	69
Income Tax Assets	4,958	5,179	2	4	5
Current investments	-	-	-	299	236
Cash and Cash equivalents	3,224	1,063	6	837	1,121
Other current financial and non-financial assets	47,993	33,739	98	422	302
<b>Total Assets</b>	<b>244,136</b>	<b>236,173</b>	<b>115</b>	<b>2,472</b>	<b>2,772</b>

<sup>(1)</sup> Pursuant to amalgamation of VMSL and VinL with the Company (refer note 3)

## Notes forming part of the Consolidated Financial Statements

## Summarised Statement of Profit and Loss:

₹ Mn

Particulars	Indus Towers Limited (Indus)		Firefly Networks Limited <sup>(1)</sup>	ABIPBL	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenues from operations	185,100	187,865	149	230	14
Other income	2,633	3,818	3	14	28
Operating Costs	115,985	110,687	114	1,476	1,156
Profit before finance cost, depreciation, amortisation, exceptional items and taxes	71,748	80,996	38	(1,232)	(1,114)
Finance costs	6,028	5,053	1	16	27
Depreciation & amortisation <sup>(2)</sup>	27,572	27,766	*	276	51
Profit/(loss) before exceptional items and tax	38,148	48,177	37	(1,524)	(1,192)
Exceptional item	850	572	-	-	-
Taxes	13,078	16,593	8	-	-
Profit/(loss) after tax	24,220	31,012	29	(1,524)	(1,192)
Other Comprehensive Income/(loss)	(6)	3	*	12	12
Total Comprehensive Income/(loss)	<b>24,214</b>	<b>31,015</b>	<b>29</b>	<b>(1,512)</b>	<b>(1,180)</b>

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

<sup>(1)</sup> Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)

<sup>(2)</sup> Net of adjustment of ₹ 2,210 Mn (March 31, 2018: ₹ 2,545 Mn) with respect of additional depreciation on fair valued assets pursuant to scheme of merger.

The Group has received a dividend of ₹ 2,990 Mn (March 31, 2018: ₹ 2,657 Mn) from Indus.

## The contingent liabilities and capital commitment of the above joint venture and associates are given below:

₹ Mn

Particulars	Indus Towers Limited (Indus)		Firefly Networks Limited <sup>(1)</sup>	ABIPBL	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Contingent Liability	57,016	43,925	-	3	-
Capital Commitment	2,545	4,443	-	-	63

## Notes forming part of the Consolidated Financial Statements

### Reconciliation to carrying amounts:

The table below provides reconciliation to carrying amounts for the joint ventures and associates material to the Group.

₹ Mn

Particulars	Indus Towers Limited (Indus)		Firefly Networks Limited(1)	ABIPBL	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2019	March 31, 2018
Opening net assets	131,950	132,165	-	1,974	1,098
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 3)	-	-	4	-	-
Profit/(loss) for the year	24,220	31,012	29	(1,524)	(1,192)
Other comprehensive income/(loss)	(6)	3	-	12	12
Dividends paid (incl. DDT)	(32,324)	(28,685)	-	-	-
Other Equity Movement	(2,210)	(2,545)	-	1,165	3,157
Closing net assets	121,630	131,950	33	1,627	1,974
Group's share in %	11.15%	11.15%	50.00%	49.00%	49.00%
Group's share in INR	13,562	14,712	17	797	967

### 67 SUBSEQUENT EVENT

The board of directors of the Company, in its meeting held on January 23, 2019, had approved a Rights Issue of ₹ 250,000 Mn. Subsequent to the year end on May 4, 2019, the Company has allotted 19,999,830,911 Equity Shares of face value of ₹ 10 each to the eligible existing equity shareholders under a Rights Issue at a price of ₹ 12.50 (including a premium of ₹ 2.50) per equity share aggregating to ₹ 249,998 Mn.

- 68** Consolidated financial statements for the year ended March 31, 2019 are not comparable with the previous year due to the facts as mentioned in note 3. 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

#### Prashant Singhal

Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019

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

#### D. Bhattacharya

Director

(DIN: 00033553)

#### Balesh Sharma

Chief Executive Officer

#### Ravinder Takkar

Director

(DIN: 01719511)

#### Akshaya Moondra

Chief Financial Officer

#### Pankaj Kapdeo

Company Secretary







**Vodafone Idea Limited**  
*(formerly Idea Cellular Limited)*  
Suman Tower, Plot No. 18, Sector - 11,  
Gandhinagar - 382 011, Gujarat

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